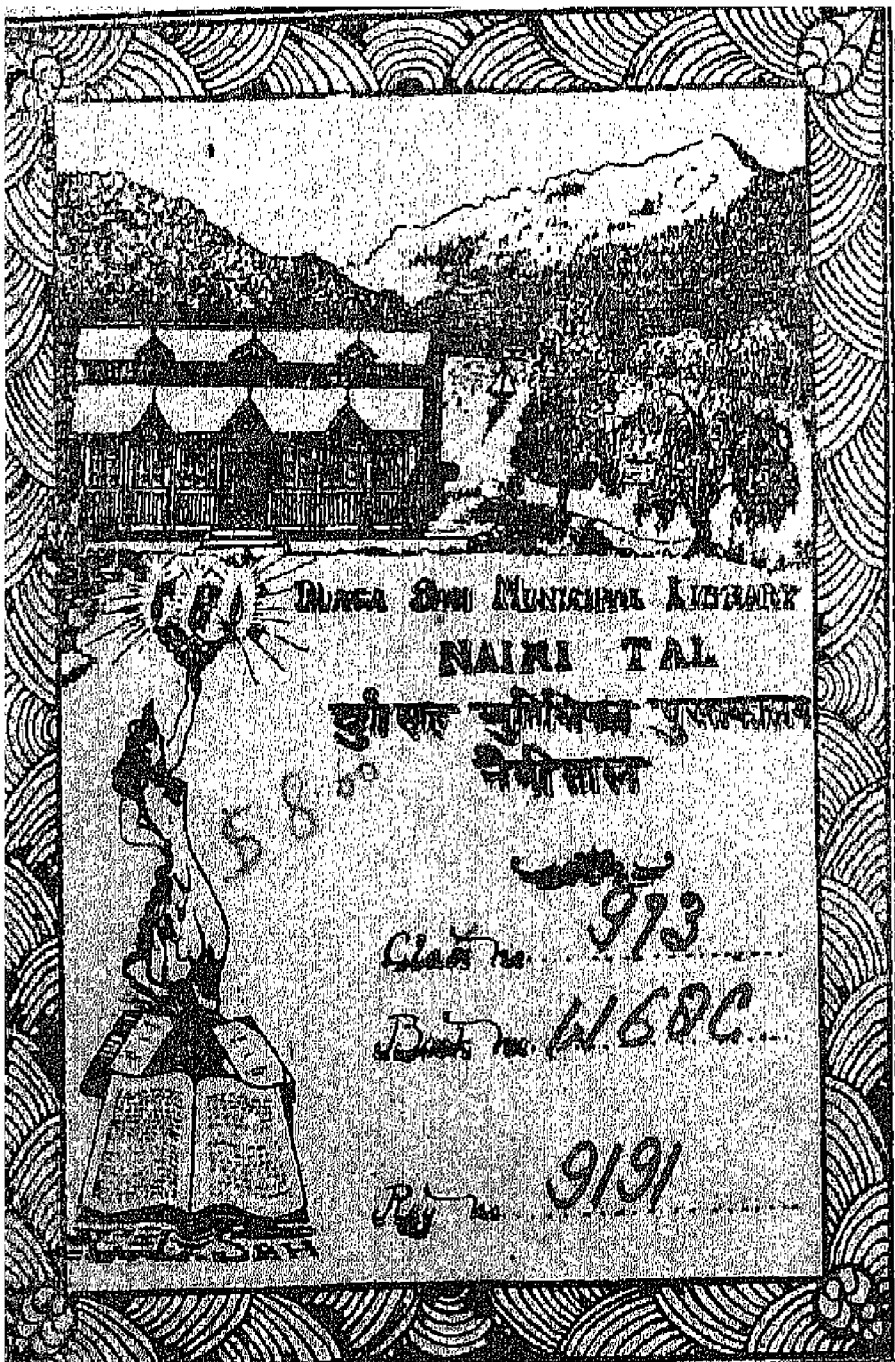




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TO ARTHUR M. SCHLESINGER
pioneer in the urban approach to American culture

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Preface to the Revised Edition

The fascination of contemporary history has attracted hundreds of historians to consider and reconsider the events of the past half-century. Despite embarrassing pitfalls as to facts and interpretations, none can resist the pressing demand for even a tentative contemporary history capable of serving social action. The task has more than ordinary difficulties. Scarcely a month passes without the publication of letters, memoirs, biographies, and scientific historical books and articles which affect our picture of the era since 1900. Each government department issues mountains of reports, summaries, and articles on its steadily growing activities out of which the historian must select judiciously what he might use, or depend upon the efforts of others to assimilate these sources. The coming of World War II and the expansion of communism alter our perspective as to the wisdom of various policies that seemed wise in the past. Our shifting beliefs, especially in these critical years, compels the historian to reexamine the past and ask questions that had hitherto seemed unimportant. The story is then retold by changes in emphasis, selection, and relationships.

The author is devoted to the broad cultural approach to history that has been developed by over a generation of able pioneers both here and abroad. Like the cultural anthropologist, who examines the manifold details of a single preliterate society in order to understand its organic unity, the present writer seeks the trends among our arts and sciences as well as politics and economics for clues as to our national motivation and the direction in which our civilized culture has been moving. Among the useful concepts of cultural integration

have been, first of all, the impact of the metropolis and technology upon our behavior, the rise, decline, and revival of the businessman's leadership in politics and popular culture, the diffusion of foreign as well as indigenous ideas here, and the basic patterns of diplomatic policies. Other historians who have coöperated in this task of understanding our immediate past and thus making it more serviceable to ourselves must feel that their contribution is scarcely less than that of the other social scientists.

Among those who have helped to read critically various chapters are Isaac J. Cox of Northwestern, Thomas A. Bailey of Stanford, Payson S. Wild, Jr., of Northwestern, and Alfred J. Hutz of Western Reserve University—the chapters on foreign affairs. The social and cultural chapters were read by Arthur M. Schlesinger, Sr., Talcott Parsons, Howard Mumford Jones, and Ralph Barton Perry, all of Harvard, and by Merle Curti of the University of Wisconsin. Those on government, business, and politics were read by William L. Crum, William Y. Elliott, Merle Fainsod, all three of Harvard, and by Tracy Strevy of the University of Southern California. Dean Louis M. Hacker of Columbia read the entire manuscript in its first edition and made many valuable suggestions. I have also profited during 1943–1944 from special training in American intellectual history afforded by a post-doctoral fellowship at Harvard and Columbia granted by the Social Science Research Council.

I wish to express my gratitude to the editors of Harper & Brothers for thorough intelligent editing of the manuscript. Finally, I have profited greatly from the valuable suggestions and assistance of my wife.

HARVEY WISH

Cleveland, Ohio
September, 1954

Preface to the Third Edition

Two new chapters have been added to this edition, "The Eisenhower Years: Revival of Business Leadership in Politics" and "From Containment to Massive Retaliation." The first chapter develops the theme of business influence previously stressed for the 1920's, a development arrested by the New Deal and the Fair Deal. The second chapter deals with certain continuities as well as innovations in foreign policy during the Cold War era. In addition, a number of minor revisions have been liberally sprinkled throughout the book and two World War II maps have been added.

HARVEY WISH

Western Reserve University
January, 1961

Chapter II

THE PROMISE OF AMERICAN LIFE: 1900–1917

The Faith in Progress

In 1906 a keen-eyed English visitor arrived in New York Harbor eager to predict the future of America in the new century. Herbert G. Wells, England's leading novelist of science-fiction fantasies and socialist utopias, looked about in a rather critical mood but softened in a short time. At first he scoffed at the naïve Americans, who were afflicted with the "delusion" that progress was inevitable and that a special destiny awaited this country. He conceded that western Europeans also shared the progress myth, but wrote that Americans went far beyond them in incurable optimism. The reform-minded Englishman was shocked to see how much of laissez-faire indifference existed in the large cities, where decaying slums and the fate of millions of immigrants were left to chance. The advance of technology and prosperity, uninterrupted since 1896, encouraged the man in the street to assume that the twentieth century belonged to the United States. Before Wells left, however, he met President Theodore Roosevelt and other progressive statesmen, who convinced him that the current mood of America was not the happy-go-lucky fatalism that had previously gone hand in hand with the faith in progress.

Herbert Croly, who founded in 1914 a vigorous organ of social planning, the *New Republic*, agreed with Wells that Americans were hopeless optimists, devotees of the cult of progress. Such was his chief complaint in a thoughtful volume that influenced Roosevelt's later progressivism: *The Promise of American Life* (1909). To Croly, the

American dream of unlimited opportunity and progress had to be tempered by an adult regard for the need of social planning for the future as a substitute for a policy of drift.

During the depression of 1893-97 Professor Frederick Jackson Turner had furnished a text for pessimists in his much-quoted address to the nation's historians assembled at Chicago, "The Significance of the Frontier in American History." He called attention to the fact that the frontier had disappeared and with it had gone the cheap lands, self-reliant individualism, and equality of opportunity typical of the frontier past. Actually Turner was no pessimist and he did not believe that these traits would cease to exist in this age of the metropolis. The prewar generation refused to believe that the abundant life in America was a frail plant dependent on the now disappearing resources of virgin lands, untapped mines, and thick forests. There would always be new frontiers of opportunity, Americans generally thought, as long as the road to success was kept free of corrupt men and monopolies. The rising industrial metropolis overshadowed the decline of free lands.

In popular magazines and paper-bound books idealized success stories absorbed millions of readers. An entire generation of boys read avidly many of the 122 inspirational novels of Horatio Alger, who was himself actually a frustrated man. Alger told over and over without too much variation in detail of the self-reliant village lad who rose to wealth in the city. Usually the boy returned in triumph to his widowed mother just in time to foil the heartless local squire who was about to foreclose the mortgage upon the old homestead.

Besides, the optimistic American could read glowing biographies and autobiographies of astonishing successes in the real world: Multimillionaires like Andrew Carnegie, John D. Rockefeller, and Henry Ford had risen to kingly wealth from poverty or small beginnings. Unquestionably, American society was indeed fluid, as the everyday stories of success proved, but recent studies have tempered this impression. The great captains of industry and commerce of 1900 were usually the descendants of old colonial families rather than of late immigrant stock; they had been educated at least through high school or better, unlike Andrew Carnegie's background of self-education; and they had gone to work not much earlier than eighteen or nineteen years of age, again unlike Carnegie's rise from an exploited

childhood in the mills. There was no question that these industrial and commercial princes had outdone the aristocrats of old in the magnificence of their numerous philanthropies: Carnegie's innumerable libraries to help aspiring youths and his aid to the peace movement; Rockefeller's University of Chicago and his millions for Negro education, hospitals, and medical research to raise the health of entire populations all over the globe; and the long list of princely gifts by others for welfare agencies, religious foundations, and educational purposes. There was surprisingly little of envy in the attitude of the ordinary American toward these nabobs. Such good fortune might happen to him too!

The Dominance of the City

H. G. Wells was seated comfortably at lunch in New York's elegant Delmonico's restaurant when a newspaperman told him of the catastrophe that had overtaken San Francisco. A devastating earthquake and fire had just wiped out four square miles of the business and residential area with losses of hundreds of lives and perhaps a half-billion dollars in property. What seemed especially noteworthy to the Englishman who had engineered even greater catastrophes in some of his science-fiction books was the matter-of-fact way with which the details were told by his host and later by others. "There is no doubt anywhere," remarked Wells, "that San Francisco can be rebuilt, larger, better, and soon. Just as there would be none at all if all this New York that has so obsessed me with its limitless bigness was itself a blazing ruin."

Industry, especially since the Civil War, had indeed made this a nation of great cities springing up overnight, a fact which no catastrophe could alter. The United States then had 76,000,000 people and this total rose to over 105,000,000 by 1920. Such a population figure was equal to that of Wells' own country and that of Germany together. By 1920, one out of every two Americans lived in urban areas and a new phase of national history had begun. When Lincoln was inaugurated there were only nine cities of over 100,000 inhabitants. In 1900 there were thirty-eight such large cities and by 1920 as many as sixty-eight.

During these years New York City, which retained so much of the immigration that poured through Ellis Island, grew from somewhat

less than 3,500,000 to over 5,600,000. Financiers and wealthy merchants regarded this city as a peer of London in their fields of activity. Chicago, the second city of the nation ever since it had elbowed Philadelphia aside in 1890, rose from nearly 1,700,000 in 1900 to 2,700,000 two decades later. It dominated the commerce of the Mississippi Valley, now that old rivals along the declining Mississippi River yielded to the central railroad advantage of the White City. Chicago's meat-packing monopoly and its central grain exchanges gave it economic stability. However crude this "hog butcher for the world" might be, the city had amazing intellectual virility. Louis Sullivan and Frank Lloyd Wright, founders of modernism in architecture, were but the best known of a large circle of outstanding original architects. The city furnished inspiration for such giants as John Dewey, Theodore Dreiser, Frank Norris, Carl Sandburg, John Peter Altgeld, and Clarence Darrow.

Rural folk, uprooted by the technological revolution on the farm, or attracted by the bright lights and the economic opportunities of the city, joined with the immigrants from Europe and Asia in building the metropolis. A heavy migration from the corn and wheat states of the Middle West created the California boom and hastened the urbanization of the entire west coast. "Iowa Day" was a major event in southern California expositions. Los Angeles, hardly more than a sleepy half-Mexican town of a few thousand in 1870, flowered into a modern city of 102,000 in 1900 and into a metropolis of over 576,000 by 1920, thus displacing San Francisco's long-undisputed leadership.

From the land of cotton, beset by the destructive boll weevil and floods as well as the perennial racial conflicts, went forth several million Negroes after 1910 into the northern cities. Southerners of both races left the farms and villages for cities in their own section too. Birmingham, "Pittsburgh of the South," kept up its unique pace of growth as a leading coal and iron center. In 1907 the Birmingham area became a vital part of the industrial empire of the United States Steel Corporation. Atlanta, strategically located astride a railroad network, earned its reputation as a leading commercial and distributing center, the "New York of the South." In North Carolina, the activity of James B. Duke, head of the American Tobacco Company, and his competitors built an urban empire founded on ciga-

rettes, "Bull Durham," and other varieties of tobacco. Duke multiplied his millions by developing the latent hydroelectric resources of the Southeast and served the fast-growing textile industry of his section, where the factory owners were bringing the mills to the cotton. As the South bloomed, New England, long suffering from the competition of fertile western farms, drooped industrially as well. Her historic leadership in the textile and shoe industries was surrendered to the South and the Middle West.

Around the industrial cities of the Great Lakes, where coal, iron, and oil furnished a livelihood for millions, a new stimulus to urban growth appeared with the development of the automobile. Carriage makers of Detroit led the way to the modern automobile manufacturing responsible for the astonishing growth of that city. Cleveland, Akron, and other auto-processing cities became the centers of new networks of towns and cities whose fortunes were increasingly dependent upon the fate of a single industry.

The New Immigration: From Southeastern Europe

As Wells went into the streets rather than the private clubs to study the American, he felt overwhelmed by the "flood" of immigrants who spoke outlandish tongues and lived apart in Little Italys, Little Bohemias, ghettos, or Polonias. Few troubled to adjust these peoples to the New World. In 1910 there were 13 million foreign-born whites in a total of 92.4 million people—about one in seven. Never before did so many immigrants arrive as in 1905-1914, and the million mark was exceeded in at least six prewar years. In 1900 the foreign born were still predominantly of the Old Immigration—German, Irish, and Scandinavian—but after that the proportion of newcomers from southern and eastern Europe grew rapidly: Southern Italians, Russian Jews, Poles, and Balkan peoples made up most of the New Immigration. "The older American population," wrote Wells, "is being floated up on the top of the influx, a sterile aristocracy above a racially different and astonishingly fecund proletariat."

The most numerous were the southern Italians who left their overpopulated, malaria-infested villages of the peninsula where the inefficient and reactionary landlord system left only the choice of starvation or emigration for the millions. In the early years of the

century the Italian emigrants were largely transients, made up of men who hoped to stay here just long enough to earn extra money for their kinsfolk in the homeland. Soon, however, this migration became one of sturdy home builders, handicapped, it is true, by illiteracy and the myth of violence popularly attributed to them. Like other peasant groups from southern and eastern Europe, they were recruited as laborers for the factories, mines, and construction gangs.

Next to the Italians in number were the Russian Jews who were driven forth by the worst era of persecution in their long sad history. The Romanov dynasty sought to head off a long-smoldering revolution by turning to the time-honored political safety valve of anti-Semitism to divert popular discontent with the regime. Faithful servants of the Czar forged the infamous Protocols of the Elders of Zion to prove the intent of organized Jewry to dominate the world. High-ranking ministers remained benevolently neutral (when they did not instigate attacks) while mobs massacred Jews and plundered their homes. While the Czars usually forbade emigration, they made an exception for their stepchildren, the Jews and the Poles.

Immigrant communities tended to segregate themselves at first because of language, religion, customs, and the attitudes of outsiders. The sudden increase of Catholics and Jews awakened the hatreds of the old Know-Nothing nativist movement of the 1850's and inspired racial bigotry such as that of the new Ku Klux Klan of 1915. The notorious American Protective Association—the APA—fought “Romanism” in politics and the parochial schools and demanded new bars to keep out the “unassimilable” New Immigration. Welfare workers pleaded often in vain that the newcomers would add a rich diversity to the cultural blend of Americanism, rather than weaken the national character. Within the space of a single decade, 1900–1910, the number of Italians jumped from less than a half-million to over 1,340,000 while the Jews (numbering only 250,000 in 1870) rose from an estimated million to well over twice that number. Since the bulk of the new immigrants concentrated in the cities, adjustment promised to be difficult.

Catholicism became more than ever a city religion as Italians, Poles, and other Roman groups arrived, and Judaism too retained a strong urban cast. With most of the Catholics and Jews employed in shops and factories, Catholic and Jewish leaders were compelled

to increase their concern for labor problems. The numerous eastern European Jews gave traditionalist Orthodox Jewry the predominance over the more westernized Reform Judaism espoused by the older German Jewish settlers. The newcomers came with little money and a low literacy rate, taking a far more active role in organizing unions than did the Reform groups. For those Jews who did not care for the Oriental flavor of Orthodox synagogues or for the Teutonized Reform temples, there was the compromise known as Conservative Judaism.

Immigrant labor added greatly to the country's wealth. The tendency was for the old settlers to step up into better positions while the newcomers usually took over the less skilled trades; but the unions believed that immigrants lowered wages. The American Federation of Labor showed consistent hostility to more immigration. Even its famous union label, a device used to boycott nonunion shops, apparently originated in a west coast campaign to oust Chinese laborers. Employers generally favored cheap large-scale immigration, though some had doubts about radicals from overseas. Racialists who talked about Anglo-Saxon supremacy were very active in propagandizing for restriction. Prior to 1875, immigration laws had been largely designed to protect newcomers from exploitation by factory owners and steamship interests. After that year, the idea of "selection" took root so that by 1900 various laws barred the alien convict, the prostitute, the insane, the contract laborer, the polygamist, the pauper, and the diseased. Total exclusion was first applied to the Oriental, beginning with the Chinese in 1887 and the Japanese in 1907 and 1924.

The assassination of President McKinley in 1901 by an anarchist led Roosevelt to insist upon a political test for arrivals in order to bar all anarchists. Head taxes for immigrants were regularly increased. Organized labor was given a veto over much of immigration by the setting up in 1913 of a separate Department of Labor, which was entrusted with the administration of the various federal immigration offices. Senator Henry Cabot Lodge, scion of an old Puritan family, fulminated against "undesirable immigration." For almost three decades he fought for an outright restriction policy in the form of a literacy test. On four occasions during 1897-1917 a President's veto blocked the Lodge movement. As President Wilson put it, literacy was a test of opportunity, not fitness. But wartime nationalism

finally won Lodge enough supporters in Congress to override Wilson's veto in 1917. The melting-pot ideal of American society had cooled perceptibly and many more restrictions lay ahead.

Militance of Negro Leadership

If the road for the latest immigrants was hard, the peculiar lot of nine million colored Americans, largely in the South, appeared far worse. The century opened with the most shocking outbreak of lynchings since the Civil War. Beginning with the late 1880's, scores of Negroes fell victim each year to sadistic rural mobs. The high point was reached in 1900 and 1901 when at least a hundred perished each year. Thereafter, the lynchings declined. Hitherto informal patterns of segregation in street conveyances and public places assumed a legal status. In *Plessy v. Ferguson* (1896), a Louisiana Negro challenged a state law requiring the railroads to segregate the races. The federal Supreme Court, however, denied his appeal and upheld the doctrine of "separate but equal accommodations" as a reasonable use of the classification power. Thereafter many southern cities hastened to introduce residential segregation laws while northern cities were not far behind in securing the same ends through restrictive housing covenants.

Housing conditions for the Negro remained deplorable, especially in the South. "The nucleus of Negro population in southern cities is the alley," observed a scholar at the Southern Sociological Congress of 1914. Crowded hovels, lack of proper diet and sanitation, and disorganized family life fostered a heavy rate of illegitimacy and mortality. Many Negro sharecroppers lived in a kind of debt peonage to the landlord, who was frequently the merchant as well; from his store the sharecropper bought provisions and other goods on credit. The Progressive movement in the South benefited the poorer whites on the whole but did little for the Negro. Behind this upheaval were the debt-ridden farmers and tenants, who regarded the Negro as the tool of the well-to-do commercial and industrial classes—the Bourbons. From the time of "Pitchfork Ben Tillman" of South Carolina to the later "demagogues," rural politicians wore the threadbare banner of white supremacy to divert attention from more fundamental reforms. Negro protest was cut off by "grandfather clauses," which

restricted suffrage to descendants of voters, by literacy tests (color-blind to white illiteracy), and most important, by white primaries (a peculiar use of a Progressive invention), which were tantamount to election under the one-party system of the South.

Nevertheless, the Negro made important strides forward, aided by sympathetic governmental and private agencies. From the bounty of the federal government arose some seventeen Negro land-grant colleges, provided by an amendment to the Morrill Land-Grant Act of 1862. In the crucial battle against ignorance, many millions of dollars came from the Rockefeller-endowed General Education Board, the Rosenwald Fund, and the Peabody Foundation. Negro youth between five and twenty years of age went to school in increasing numbers. The proportion rose from less than a third in 1900 to over one-half by 1920. Booker T. Washington, Negro educator and leader, reported in 1915 that Negroes owned 30,000 businesses in the South and operated 900,000 farms (a rather high estimate); 34,000 Negroes were schoolteachers. Already, the migration to the North was bringing solid gains in civil liberties and economic opportunities.

Many thoughtful Negroes, especially in the North, began to forsake the conservative leadership of Booker T. Washington, the founder of Tuskegee Institute, who had frankly accepted segregation in his racial philosophy. Once a slave himself, he feared that the recently emancipated Negro would be hampered at this stage by insisting upon full civil rights. Only by making himself indispensable to the white through skilled trades would the Negro advance. H. G. Wells, expressing his strong distaste for Jim Crow ideas to Washington over a luncheon table in Boston, heard the latter make this reply: "The only answer to it all is for colored men to be patient, to make themselves competent, to do good work, to give no occasion against us." None assailed Washington more vehemently than young Dr. William E. B. Du Bois, a Massachusetts-born, Harvard-trained Negro who wrote that the Tuskegee man had surrendered the Negro's right to full citizenship and a liberal education. Du Bois crusaded for Negro rights as editor of *The Crisis* and in 1909 helped to organize for this purpose the National Association for the Advancement of Colored People. At mid-century, the NAACP could look back upon substantial gains toward the goal of equal citizenship.

“Emancipated Woman”

Liberal theory had long been on the side of equal rights for women, but the city, with its economic opportunities, finally “emancipated” women from their Oriental dependence upon the male. Although a career was still a temporary expedient until matrimony afforded an escape, increasing numbers of women poured into clerical, selling, and teaching positions. Women added to their near-monopoly of elementary-school teaching by invading the high schools, where men constituted a declining minority. But the line of male resistance stiffened in the universities and professional schools. Compensation, however, was another matter, for in the skilled types of work the women averaged only one-third as much as union men. In 1903 the National Women’s Trade Union League was formed to combat such conditions. A minority of progressive unions, such as those in the garment industry, raised no barriers to women in their ranks.

The urbanized woman meant inevitably a more individualist one; this is clear from the rapid increase in the divorce rate, the deferred marriages, and the marked decline in births. City people did not tend to reproduce themselves. That population figures remained high was largely due to the high fertility of the immigrants and the southern rural people and to the rapid gains in public health which made possible an increased expectancy of life from the 48.2-year average of 1900 to the 51-plus average of 1919. The most militant propagandist for birth control despite church and police intervention was Mrs. Margaret Sanger, formerly a visiting nurse on New York’s poverty-stricken East Side, where family circumstances often made babies unwelcome. In 1914 Mrs. Sanger issued the first number of *The Woman Rebel*, dealing with a variety of feminist causes, and also sponsored birth-control societies which later united as the National Birth Control League. There was also a marked growth in women’s clubs. These tended to replace the old-fashioned literary societies by active reform groups.

Meanwhile, a half-century of agitation for woman suffrage was bearing fruit, although American women fell far below their English sisters in militancy. By 1900 equal suffrage had been granted in four western states (where women were greatly outnumbered by men):

Wyoming, Idaho, Colorado, and Utah. By 1914 the number had risen to eleven. While the "Susan B. Anthony Amendment"—the Nineteenth—did not pass until 1920, younger feminists like Carrie Chapman Catt and Anna Howard Shaw were carrying on a successful agitation toward this end.

Serving the new feminism was the significant transformation of the urban middle-class home. The expansive single-residence home of an earlier day yielded to the compact apartment dwelling. Smaller families, fewer rooms—the traditional guest room became a rarity—miniature kitchenettes, numerous "gadgets" to simplify housework, and commercial laundries meant more leisure for women and reflected their increased activities outside the home.

The City-Planning Movement

Although urban middle-class people could boast of homes with such newly acquired "necessities" as telephones and incandescent lighting, the laborer's family, especially among recent immigrants, was too often squeezed into a rickety, firetrap tenement that lacked all but the most elementary plumbing. Unregulated city expansion, poverty, and the huge influx of immigrants undoubtedly contributed to the growth of these slums. Housing laws remained unenforced, largely because of a corrupt alliance between politicians and absentee landlords. Press agitation in 1901, inspired by the new reform spirit, led to important changes such as the tenement house codes in New York and Chicago and removed the most glaring abuses. The effective inspection service that accompanied these salutary reforms incidentally brought fresh revelations regarding prostitution and other types of commercialized vice, and heralded the end of the old "red light" district.

To combat the disorderly growth of urban centers, a city-planning movement was initiated at the turn of the century and soon swept the nation. In 1901 Daniel H. Burnham, who had won a nation-wide reputation as an architect while planning the significant Columbian Exposition of 1893 at Chicago, was invited by a Senate committee to head a commission of three experts to decide upon a building program for the city of Washington. Burnham sought to recover the spirit of the original L'Enfant plan, which provided for streets radiating from an axial center—a harmonious system which President

George Washington had adopted for the national capital. The commission visited many European cities and studied the designs of the famous Versailles architects who had served Louis XIV and influenced L'Enfant. The eighteenth-century French ideal of symmetry and civic beauty marked by long tree-lined avenues tended not only to reanimate the decayed survivals of L'Enfant's plan but to stimulate national interest in the long-forgotten art of city planning.

Sponsored by the leading merchants of Chicago, a city whose growth since the Great Fire of 1871 had been haphazard, Burnham in 1906 offered the outline of a comprehensive plan that stressed the efficient, orderly design of streets and buildings and, to a lesser extent, desirable living conditions as well. Details were elaborated three years later by a committee of several hundred citizens, headed by Charles Wacker, who presented the Chicago Plan that eventually transformed rubbish-filled railroad yards along the lake front into an attractive series of parks, boulevards, and smooth automobile roadways. In 1916 New York City outstripped Chicago in the city-planning movement by adopting the first "zoning" ordinance and thus brought the United States abreast of the progress in zoning already made by England, Germany, and Sweden. Zoning protected home neighborhoods from invasion by stores and factories, regulated the height of tall buildings through such devices as the "setback" to insure natural light, and controlled the areas of building sites to allow proper ventilation for occupants. By the twenties, New York's plan of relieving congestion and chaotic building development through zoning had become a commonplace of city administrations.

Mass Production and the New Journalism

Even before the Civil War, the newspaper had captured a mass circulation through the technical advances that made the penny press possible. Successive inventions like the linotype machine (c. 1886) and economies in converting wood pulp into newsprint shortly before 1900 spurred on the publisher's search for circulation among the hitherto neglected semiliterate, with resulting declines in educational value and dignity. Thus the standard of excellence was set by the least common denominator among the reading groups.

"Yellow journalism" was the fruit of this impact of socially unregulated technology upon the newspaper shortly before the opening

of the century; it boasted of great news-gathering efficiencies, but it was marked by gross sensationalism. Reporters and editors invaded the most intimate privacy to conduct "trial by newspaper," hasty exposés of corruption, revelations of sex crimes, and related feature-story material. Space hitherto devoted to public messages, analytical articles, and fuller news items was transferred to cartoons, comic strips, and other pictorial materials. Two pioneers of yellow journalism, Joseph Pulitzer of the New York *World* and William Randolph Hearst of the New York *Journal* fought a bitter circulation war by promoting the martial spirit which catapulted the country into the needless Spanish-American War. One of the major exceptions to these trends in the metropolitan press was reflected in the career of the idealistic Adolph S. Ochs, who bought the nearly bankrupt New York *Times* in 1896 and converted it into a highly responsible newspaper of international eminence. Instead of borrowing some of the techniques of Hearst, he insisted upon the slogan, "All the News That's Fit to Print."

During this era, it seemed that the New Journalism with its mass basis might be an aggressive agency in advancing popular reforms in the interest of labor and the consumer. In fact, the "muckraking movement," which affected both newspapers and magazines, did achieve many such victories for the entire progressive movement. However, the imperative necessity of appealing to the lowest income groups was offset by the increasing role of the advertiser. In 1920 Upton Sinclair startled the country by his revelations, grossly exaggerated as to their implication, of newspaper subservience to advertisers. Perhaps more important than this factor in checking demands for economic reform was the fact that the average newspaper reader now had before him such a feast of varied "features" and human-interest stories that this was enough to justify the purchase of the paper.

Editorials were much more conservative than in the past, for the newspaper had become of necessity a big business representing too heavy an investment for a small businessman to carry. Concentration, as in other businesses, represented a dominant tendency, especially after 1900 when the number of newspapers for the first time began to decline while circulation figures continued to rise rapidly. The newspaper chain had come to stay in journalism. Hearst, who

had presidential ambitions in those days, bought up or started one newspaper after another across the nation as part of a large sensationalist chain. On the other hand, Edward W. Scripps made his own chain a force for responsible journalism, beginning back in 1878 with the *Cleveland Penny Press*.

The old personal journalism of the nineteenth century received a setback in the new tendency to use syndicated material issued by a few news-gathering agencies such as the Associated Press and the Scripps-McRae Press Association, dating back to the nineties. Later in 1907, Scripps merged his services in this field as the United Press. Five years before, he had entered the syndicated-feature business by organizing the Newspaper Enterprise Association. Hearst was not far behind. In 1906 he entered the news-gathering field with the International News Service and syndicated such feature columns as Beatrice Fairfax's immensely popular "Advice to the Lovelorn." Syndicated materials drove local writers out of work, particularly in the preparation of the large Sunday editions, which consisted of many such features. The use of syndicated articles and the growth of chain journalism reduced the individuality of the newspaper and lent an increasingly impersonal tone to the contents.

Triumph of "Pure and Simple" Unionism

In this era of rising prosperity, journalists wrote of the current "honeymoon" between capital and labor while McKinley's managers weaned the workers away from Bryan's radicalism in 1900 with the slogan of the "full dinner pail." Real wages, it is true, advanced only slightly, except for the phenomenal gains among the building trades, but the average family of that day with more than one breadwinner stood ready to benefit from the relatively full employment. There was optimism implicit in the growth of the total national wealth from \$43.6 billion in 1880 to \$88.5 billion in 1900 and \$186.3 billion in 1912.

Labor's gains were not uniform. Thirty percent of the steel workers in 1910 still toiled seven days a week, intimidated by the concerted strength of the employers and the open-shop drive. Short but acute depressions in 1907 and 1914 left many to feel the bitter pinch of unemployment and distress. Progressive proposals to aid the jobless through planned state and federal public works failed to secure

adoption, and the unemployed were left to the meager resources of charity and church benefits. New York State, however, took the initiative in 1911 in setting up unemployment offices, labor market bulletins, and a system of vocational guidance in the schools. The *Chicago Tribune*, then in its short-lived Progressive period, asserted that unemployment was not a reflection upon the individual but a reproach to the nation.

Compared to the factory worker and miner of western Europe, American laborers had been slow to join unions. In 1900, scarcely more than 3 percent of the entire industrial labor force belonged to unions. Only after World War I did the proportion finally exceed 20 percent. This was not surprising for a number of reasons. Class lines were still so fluid that the average American worker still thought of himself as rising inevitably from the lower rung of the employment ladder to some form of self-employment or a well-paid position. An optimistic middle-class psychology underlay even the social protest movements of this era and "class consciousness" seemed to be a foreign importation.

For those who were not unwilling to join a union there were serious obstacles. Steel and coal executives resorted to Pinkerton industrial spies and detectives to crush strikes and undermine unions. In most industrial states, militia, state police, and even federal troops intervened not only to maintain order but to replace striking workmen. Since the Pullman strike of 1894, the weapon of the labor injunction had been increasingly adopted to halt strikes by securing a court order compelling strike leaders to cease activities upon pain of a jail sentence for contempt of court. England had long before dropped the use of injunctions in labor disputes, but the practice took on a new lease on life in this country after the Debs case of 1895 in which the American Railway Union officers had been ordered to cease all strike activities.

If labor organizers or other union members on a factory pay roll proved undesirable to an employer, he could not only discharge them but also put their names upon a "black list," which circulated throughout the business with the understanding that these were troublemakers and not to be hired. Another form of repression was the yellow-dog contract, repeatedly upheld in the courts throughout this era. This made employment conditional upon a promise to re-

frain from joining a union. The federal Supreme Court, then under the conservative influence of Herbert Spencer's ideas concerning the survival of the fittest, invalidated Congress' Act of 1898 which declared the yellow-dog contract illegal. In this case, *Adair v. the United States* (1908), a railroad agent had discharged an employee for joining a union. Justice John Harlan asserted in the majority opinion that Congress had violated the Fifth Amendment, providing that no person shall be deprived of liberty or property without due process of law. Therefore no employer could be compelled to accept or retain the services of a worker. This reasoning was challenged by Justice Oliver Wendell Holmes, who argued that judges must not attempt to decide whether this or that legislative policy was good. He observed:

"The section simply prohibits the more powerful party to exact certain undertakings, or to threaten with dismissal or unjustly discriminate on certain grounds against those already employed. . . . I quite agree that the question what and how much good labor unions do, is one on which intelligent persons may differ; . . . but I could not pronounce it unwarranted if Congress should decide that to foster a strong union was for the best interests, not only of the men, but of the railroads and the country at large."

But the yellow-dog contract continued to win judicial victories in both state and federal courts throughout this era. One may perhaps infer how important repression was in impeding the growth of trade unions by noting their startling expansion after 1933-1936, when the labor section of the National Recovery Act and the Wagner Act set up effective agencies to penalize the intimidation by employers of prospective or active union members.

Cities and the new technology shaped the history of the unions. Life in the metropolis made men completely dependent upon their jobs, for they could not turn to subsistence farming during hard times. The weakness of the single individual standing alone against corporations, courts, and a generally unfavorable press led many thousands to seek strength through large unions. Railroads, automobiles, and better roads intensified the competition between workmen of hitherto isolated regions and forced the unions to grow far beyond mere city, county, or even state lines. National federation of many unions had already begun in the mid-nineteenth century. The sen-

sational advance of industrial consolidation during these years, especially after 1897, enabled so many large corporations to divert work from union shops or mines to nonunion parts of the organization that labor leaders felt compelled to initiate nation-wide unionization of the affected industries. Finally, the mechanization of industry gave increasing opportunities for unskilled workmen, especially immigrants, to join the urban labor force. It was only a matter of time before they too would be organized in unions of the industrial type, in which shop membership rather than craft membership was the basic thing. Craft unions could not long ignore or repress the growth of industrial unionism.

Already, in 1866, a national union open to skilled and unskilled had come briefly into existence. This was the National Labor Union. Three years later the Knights of Labor was born and adopted a similar policy under the slogan, "An injury to one is an injury to all." Another major industrial union was the American Railway Union, organized by Eugene V. Debs in 1893. This national union came into being in response to the aggressive tactics of a similarly organized national association of railroad executives, the General Managers Association. The American Railway Union frightened conservatives, who feared that its industrial organization implied a revolutionary degree of labor solidarity quite distinct from the limited objectives of the craft unions. It collapsed during the Pullman strike, which tied up twenty-seven states, when a coup de grâce was given it by federal troops which ran the trains and by a federal injunction against the strike leaders.

Debs went to jail for six months after he defied the injunction as illegal. Thereafter, he turned to more radical causes and ran for President five times on the Socialist ticket. In 1905 he was one of the chief sponsors of the revolutionary Industrial Workers of the World (IWW), partly an outgrowth of the radical Western Federation of Miners. At the head was the erratic William (Big Bill) Haywood, a Marxist revolutionary who advocated such syndicalist tactics as the general strike and sabotage to paralyze a nation preparatory to taking over political power. His goal was "one big union," which, according to syndicalist doctrine, was the means of seizing power in a socialist revolution. Despite a small official membership the IWW came dangerously close to capturing the leadership of the labor movement

after it won a major victory in the Lawrence (Mass.) textile strike of 1912 for better wages and conditions among some 20,000 workers, most of them poor, hitherto unorganized immigrants. The later strikes were far less successful. The IWW became too deeply involved in orthodox trade-union tactics to practice much of the violence taught in their propaganda books and antireligious songs, but their antidraft stand in World War I and subsequent communist affiliations proved to be their undoing.

The giant among American unions was the orthodox craft organization, the American Federation of Labor, which emerged definitely in 1886. Its various "locals" totaled nearly 350,000 members in 1899—comprising over half of the total for all unions in the country. Ten years later the AFL counted nearly 1,500,000 members and by 1917 claimed over 2,370,000. About a million workmen altogether belonged to unions outside of the AFL at the time the United States entered World War I.

Like other craft unions, the AFL claimed descent from the medieval guild, in which the skilled worker had jealously held a monopoly of his particular line of work. With the dissolution of the guild after the advent of modern capitalism, craftsmen who had given up hope of ever becoming masters had come together in journeymen's guilds and even called strikes upon occasion. The Industrial Revolution took its inevitable toll of the craft worker by replacing many of his techniques by the machine and leaving more and more operations to be performed by an unskilled worker. In self-defense, the craftsmen tightened their organizations by becoming more exclusive, particularly through the "closed shop," which kept the unskilled out.

The AFL, in pursuing its craft principles of exclusiveness, rejected all labor parties, socialist projects, and even state-supported social insurance measures. Strong locals often asserted their "states' rights" within the national federal organization to exclude Negroes and to support regional differences in wages and conditions. The AFL profited from the collapse of the Knights of Labor after the latter was popularly (but erroneously) associated with the Haymarket riot of 1886. The defeat of Debs' American Railway Union and its industrial unionist principles lent further prestige to conservative craft unionism.

The very influential head of the AFL was Samuel Gompers, an Anglo-Jewish immigrant who brought with him the effective tactics of his cigar-makers' union. He battled "dual unionism," the feuding of rival unions, that threatened to come in with the rise of industrial unionism, and forced out Socialist strategists who sought to gain control over the labor movement. With a flair for rhetoric, he would say to the Socialists, "Economically, you are unsound; socially, you are wrong; industrially, you are an impossibility." Insisting upon "pure and simple unionism," he led the AFL away from politics and radicalism and outlined day-to-day measures to raise wages, reduce hours, and improve conditions. He campaigned to convince the public to buy goods only from firms using the union label. When necessary, strikes could be called, but union treasuries must be fully adequate to sustain strike benefits and these must be withheld from strikes unauthorized by the AFL heads.

Gompers and his circle were suspicious of government intervention in labor disputes. They felt that basic legislation such as the Sherman Antitrust Act of 1890 and the Interstate Commerce Act of 1887 had been turned against unions, treating them as combinations in restraint of trade. When federal Senators asked Gompers for advice as to what labor laws were needed, he rejected all favors. "Foremost in my mind," he wrote in later years, "is to tell the politicians to keep their hands off and thus to preserve voluntary institutions and opportunity for individual and group initiative. . . ." This was the philosophy of "voluntarism." It was enough that government refrained from supporting labor injunctions, yellow-dog contracts, the use of troops in labor disputes, and "freedom of contract" doctrines that undermined trade unions. Exceptions to this rule of "voluntarism" appeared in the lobby efforts of the AFL to restrict convict and contract labor, curb immigration, secure workmen's compensation laws, and promote shorter-hour laws. In most matters, the Federation believed that a strong union could redress the grievances of labor by collective action.

Economic pressure and negotiations did not always achieve the ends of the AFL. The weapon of the labor boycott against the products of "unfair" employers turned out to be a boomerang in the famous Danbury Hatters' case. In 1902 the United Hatters of North America struck for a closed shop and initiated a national boycott

against the products of a Danbury hat manufacturer. The company retaliated with a successful suit which ended in making the union guilty of violating the Sherman Antitrust Act. Triple damages of \$240,000 (slightly reduced later) were awarded to the employer by attaching the homes and savings accounts of the union members. The significance of this case is that not only did the union come under the Sherman Act, which had been intended by Congress solely to halt industrial monopoly, but individual union members were now held liable for the actions of their officials and even ordinary rank-and-file members.

Five years later another blow shook the AFL, this time as a result of its boycott against the Buck Stove and Range Company. Claiming that the employer had violated its agreement with them, the union ordered a strike and the AFL promptly declared a boycott of the stove company's products. Gompers was challenged by his arch-enemy, J. W. Van Cleve, who was not only the head of the firm involved but also president of the National Association of Manufacturers, a militant group that was currently engaged in a national "open-shop" campaign to eliminate all unions. Van Cleve secured one of the most sweeping federal injunctions in labor history which did not stop with outlawing all boycott activity but even forbade the AFL to mention the strike orally or in writing! Gompers and other officials narrowly escaped serving a prison sentence.

Once more the old cry of 1896 was raised: "No government by injunction!" Statesmen hesitated over the injunction issue. President William Howard Taft recognized that the injunction was open to abuses, but he felt that it was essential to avert violence. On the other hand, President Woodrow Wilson, in fulfilling the Democratic party plank, signed the Clayton Act, which he believed would go far to abolish the labor injunction. However, this "Magna Carta of labor," as Gompers heralded it, failed of its purpose and the injunction continued to be invoked in national labor disputes; it was revived in the next generation by a son of William Howard Taft.

Prophetic of labor relations in the future were the experiments in collective bargaining and social insurance by immigrant Jewish and Italian leaders in the needle trades. Men like Sidney Hillman of the Amalgamated Clothing Workers and young David Dubinsky of the International Ladies' Garment Workers' Union had begun with a

socialist philosophy acquired in the underground Russian labor movement, but speedily learned that Marxism had little application under American conditions. Aided by the idealistic and resourceful Louis Brandeis, they adopted improved methods of collective bargaining such as the trade agreement and industrial arbitration. These unions, as Herbert Harris points out, shared with their employers the responsibility for improving quality, increasing output, abolishing waste, and reducing overhead. They transformed one of the most exploited trades into an enlightened labor regime of unions, with a forty-eight-hour week instead of one of sixty or more hours, wages corresponding to living costs, and full acceptance of women as fellow workers and union members. Class collaboration, truly representative of American ideals, replaced imported ideas of class struggle.

Scientific Farming: The Decline of the Age of Horsepower

Mushrooming cities in both the United States and western Europe drew off much of the farm population, but in this country at least the revolution in technology insured the remarkable result that fewer people could feed much more of the world upon the most prolific scale in history. By 1900 rural America had already declined to a farm population of only 37 percent of the nation. So precipitate was the decline that even the great farm expansion of World War I did not prevent the ratio from falling to less than 30 percent. Although so much of the New Immigration was actually peasant in make-up, these rural people found occupations in the cities rather than in the more familiar farm jobs. At the same time total farm production rose by a third during 1900-1914. It is true that new European tariffs upon farm imports and a change in American diet habits did prevent much prewar expansion in grain and meat production, but this was more than offset by increases in the output of California's relatively new citrus industry, in sugar crops, cotton, tobacco, poultry, and eggs.

As the depression of the nineties ended and the post-Civil War price decline in farm products was finally reversed by world factors, prosperity mellowed earlier rural radicalism such as that of the Grangers, the Farmers' Alliance, and the People's party. Besides, the modern scientific farmer, who owned expensive machinery, farm buildings, and numerous animals, tended to see the world as a busi-

nessman rather than as a have-not radical. The average factory value of farm machinery each year advanced by two-thirds during the pre-war years. In 1916 alone almost 30,000 tractors were produced, a fact which forecast that the lands hitherto used for forage crops would become available for general crops. Thus the farmer as well as the automobile was bringing old dobbie's period of usefulness to an end. Although the dominance of horsepower had never been so decisive as in 1900, it yielded thereafter to the rapid encroachment of the gasoline-driven tractor and truck. Production was further spurred on by the revolution in chemistry and allied sciences affecting agriculture.

While the labor unions expected little that was good from the politicians, farmers continued as in the past to reap benefits from the government. There were the growing agricultural colleges created by the Morrill Land-Grant Act of 1862. In the various states agricultural experiment stations endowed with laboratories and specialized libraries had been set up under the Hatch Act of 1887 and later legislation to study the regional aspects of farm problems. The myriad agencies and staffs of the Department of Agriculture taught the farmers to make two blades grow where only one grew before. Government scientists found the answer to many plant and animal diseases and discovered seeds from distant lands capable of withstanding heat, cold, and rust. The conservation movement which attained crusading proportions under Roosevelt and Taft opened up millions of acres of hitherto useless western lands through irrigation and reclamation projects. Rural isolation, which had sent so many youths to the city, was ameliorated during these years by government subsidies for rural free delivery (RFD) of the mails, a cheap parcel-post system, and better roads.

With President Wilson's victory in 1912 the farmers gained even more. Not only was earlier farm legislation expanded generously, but several major new laws were passed. The Smith-Lever Act of 1914 was a grant-in-aid system to promote agricultural education through instructors sent to show the farmer the best methods of cultivation and animal husbandry while the housewife learned new techniques of home economics. In 1917 the Smith-Hughes Act, though intended primarily to advance industrial education, also furnished funds on a grant-in-aid basis for agricultural education. Farmers concerned with the perennial mortgage burden and high interest

rates were aided by the Federal Farm Loan Act, which encouraged cooperative financing organizations in the farm areas. All these aids proved especially useful in helping the farmer meet the unprecedented war demands of 1914-1919 when he enjoyed—for all too short a time—the greatest prosperity in history.

There was of course a reverse side to this cheerful picture of the commercial farmer with his new phone, the piano, the automobile, farm institutes, exciting agricultural fairs, and attractive mail-order catalogues. Large-scale commercial farming in the modern style did not fit the pocketbooks of many thousands, especially in the great single-crop areas of the South and the states of the Great Plains. These people could turn to tenantry, hired labor, or, as in the South, sharecropping as a way of life. For many sharecroppers the abject dependence upon the landlord-merchant meant a severe degree of economic exploitation and sometimes a denial of civil rights. In the West, seasonal migratory workers were so insecure that radical propagandists such as the IWW won many recruits among them. Not for a generation did their plight awaken public attention, as it did when John Steinbeck portrayed them in *Grapes of Wrath*.

As yet, however, much of the prevailing tenantry could be explained optimistically as the first stage up the "agricultural ladder" toward farm ownership rather than an indefinite state of blighted opportunity. All sections, of course, did not prosper equally. New England, for example, continued its agricultural decline of the previous century. Some areas, as in the South and West, were guilty of wasteful cultivation practices which eroded the soil and created rural slums. But the total picture for this era, with its generally rising land values and income, was reassuring. Examining the largely cheerful report of the Country Life Commission, President Theodore Roosevelt concluded in 1909, "The general level of country life is high compared with any previous time or with any other land." A later generation was to find the era of 1909-1914 so attractive from the standpoint of farm income that the system of "parity prices," devised to keep the farmer's share of the national income up, was based on the situation prevailing in these years.

The Coming of the Automobile

In the field of mechanical invention American genius found its peculiar realm, although it built upon foundations laid across the

ocean. This was notably the case with the automobile. Frenchmen like Le Bon in 1799 and the Germans Carl Benz and Gottlieb Daimler during the 1870's and 1880's did much to create the essential elements of the gasoline automobile. Strongly contesting the field with Benz and Daimler was George B. Selden, a patent lawyer of New York and a graduate of the Sheffield Scientific School of Yale University, who claimed to have completed a gasoline "horseless carriage" in 1877. His unfortunate strategy of delaying the patent application until 1895, adopted for business reasons, involved him and his successors in an unsuccessful patent suit during 1902-1911 against Henry Ford and others for alleged infringement. By that time others like Charles E. Duryea and Elwood Haynes had already been able to market their own gasoline-driven carriages. Although steam and electric cars dominated the automobile field in 1900, the gasoline motorcar soon outstripped them in popularity.

Selden managed to earn a modest fortune through a licensing arrangement with manufacturers desiring to use his patent, but the leadership in automobile promotion was reserved for another man, Henry Ford of Detroit. In common with Duryea, Haynes, R. E. Olds, and J. D. Maxwell, Ford was a practical mechanic who had been fascinated for many years by the prospect of building a successful automobile. Breaking with the farming career selected for him by his father, he built his first auto model in 1892. Despite an unsuccessful venture in automobile manufacture during the late nineties, he entered business again at the turn of the century with the Ford Motor Company; he owned one-fourth—and soon practically all—of the original \$50,000 capital stock. With him were associated James Couzens, the Dodge brothers (Horace and John), and J. D. Maxwell, all names of great future importance. Long before the First World War, Ford had completed the "rags to riches" cycle so dear to American romanticism.

Ford's greatest contribution, which was to set him apart from the European forerunners in motorcar invention, lay not in the ingenuity of his original model but in the adoption of the most far-reaching process of mass production known to industry anywhere. This system was the assembly line, propelled by conveyors which brought the chassis to the workman for a brief operation. Chicago's meat packers pioneered with this idea in the processing of the animal

carcass. The typically American character of mass production probably grew out of a variety of factors: an adequate mechanically minded labor force which had scarcely been affected by the restrictive guild psychology of Europe; the nation's rich and balanced natural resources; the exceptionally large domestic market of consumers willing and able to accept huge quantities of standardized products; and the inventive Yankee tradition of "gadgets." Precision, economy, speed, and power were the characteristics of mass production. Its genealogy went back to another American, the Connecticut Yankee Eli Whitney, who had applied the key principle of interchangeable parts to firearms over a century before.

Ford chose to standardize a single inexpensive model in order to tap a mass market. When the historic but strictly "practical"—even ugly—Model T emerged triumphantly in 1909 from a series of experiments in his plant, the great decision regarding a single standard model had been made. Ford, so the joke books put it, was willing to let the buyer have any color of car he wished so long as it was black. Not until the middle twenties did Ford bring out a new model. By that time over 5.5 million cars had been scattered over the country.

The popularity of the automobile was destined to work a social revolution. Colonial travelers had followed the contours of the seaboard, the inland seas, and the rivers. Later came passable roads, canals, and finally the railroads. Now the automobile highway had arrived to diffuse the ways of the city everywhere. The islands of isolated rural cultures gave way to urban sophistication. Backward little red schoolhouses yielded to the central, well-equipped consolidated school served by the bus. The metropolis expanded as middle-class car owners escaped to the suburbs.

Pioneer Aviation and Wireless Telegraphy

Scarcely inferior in importance were the epoch-making airplane experiments of the Wright brothers, Orville and Wilbur, at Kittyhawk, North Carolina, on December 17, 1903. Here again, invention of the first power-driven heavier-than-air machine capable of carrying its occupant in sustained flight was preceded by an impressive line of English and French experiments. The honor accorded the Wright brothers might have gone to Dr. Samuel P. Langley of the Smithsonian Institution, for he produced a successful man-carrying

machine months before the Wrights did; but mistakes in launching this model obscured its merits. Only a subsequent demonstration flight by Glenn H. Curtiss revealed the truth. Langley's fiasco did much to discourage any general belief in the future of aviation.

The Wrights, like so many American inventors, were practical mechanics; they had experimented with gliders in 1900. Their special contributions included a light sixteen-horsepower gasoline engine and a working arrangement of the wings to solve the problem of balance from side to side. After reports in 1906-1908 of successful flights in France, particularly the performance of the Brazilian, Santos-Dumont, they abandoned their secrecy and in 1908 demonstrated the operation of their improved flying model. The United States Army eagerly adopted the Wright machine as a solid addition to the nation's armed strength.

Wireless telegraphy, developed primarily through Marconi's genius, received one of its greatest applications in 1906 in the American invention by Lee De Forest of the vacuum tube amplifier, which controls and magnifies electric current. This not only was invaluable for the long-distance telephone but went far to create radio communication. By 1916 Secretary of the Navy Daniels was able to utilize the improvements in wireless by conversing at will with every naval station from the Atlantic to the Pacific.

Decline of the Guild Tradition in the Theater

One of the casualties of the theater in this era of systematic commercial organization was the guild tradition, in which all power rested in the hands of craftsmen. In 1896 six of the leading theater managers met in Philadelphia to end the competitive "chaos" in their field. There were parts of the country that lacked first-rate entertainers and actors while some areas had a plethora of talent. The Philadelphia conference formed a syndicate to centralize the employment of actors through exclusive "booking" agencies which "sold time." This was a blow to the stock company, rooted in the medieval guild tradition, which had been a group of independent actors who selected and managed their own plays, arranged their own routes, and relied directly upon the box office for compensation. Theaters promptly fell under the control of the syndicate and yielded to cen-

tial booking and the "star system," which used the modern art of advertising to raise the commercial value of theatrical talent.

Despite a vigorous rebellion by the actors, few could deny the fact that the theater prospered more than ever, though too much of its success was evidenced by overlavish stage effects and fancy theaters. Actors feared the deterioration of talent beneath the grinding effect of profitable long runs, which became more common than ever; artists might be confined to a single role for years, thus being deprived of diversification of experience.

The more sensitive artist looked upon the little theater movement that sprang up after 1909 as a possible avenue of salvation for the stage. Behind this movement was the current dramatic renaissance and the revolution in stage direction that came from Russia and France. Constantine Stanislavsky, founder of the Moscow Art Theater, had achieved astonishing levels of dramatic realism by stage experiments with groups of amateurs uncorrupted by the conventional romantic style. They gave the utmost fidelity of interpretation to the masters whom they presented—Shakespeare, Ibsen, Chekhov, and Gorki. Following this trend, American little theaters sprang up such as the famous Provincetown Players, the Washington Square Players, and Maurice Browne's Little Theater of Chicago. Eventually, some compromise between the amateur and the professional spirit was reached in the Theatre Guild. A sympathetic critic, Walter P. Eaton, wrote in 1917 of the little theaters, "They are a protest against the easy, safe professionalism which has divorced our drama from all serious contact with the problems of actual life, which has reopened the gap between the American stage and literature."

Birth of the Movies

Rivals to the stage soon arrived. From Thomas Edison's kinesiograph of the late nineties, which was a peep show of figures in motion that lasted less than a minute, evolved the age of the cinema. In 1903 the Edison studio released Edwin S. Porter's *The Great Train Robbery*, a film 800 feet long which was one of the first complete stories in the history of movies; Porter scored so remarkable a success as to bring a strong flow of capital to the infant industry. Soon after, the nickelodeon era of one- or two-reelers took the country by storm,

filling vacant stores and houses with such melodramatic themes as *Trapped by Bloodhounds* and *Raffles, the Amateur Cracksman*. Feature-length films emerged within a few years and the movies ceased to be "chasers" following vaudeville acts, becoming instead an independent form of entertainment and instruction.

By 1908, the inevitable signs of the consolidation spirit appeared. A Motion Picture Patents Company was formed to pool the patent rights of the industry and to "bring discipline" into the field by a system of licenses for trust members; exhibitors were restricted to films produced by the licensed inner circle. Aided by the rising Progressive sentiment against the trusts, independents like Carl Laemmle and William Fox fought back in the press and in the courts as well, and succeeded by 1914 in breaking down the film octopus. Meanwhile the independents, in their efforts to escape injunctions and subpoenas from the monopolists, fled from New York to Los Angeles, conveniently located near the refuge of the Mexican border. As a result, Hollywood, which was relatively free of the conservative restraints of New York finance and was endowed with varied scenic and climatic advantages, became the film capital.

Setting the model for other directors was David W. Griffith, who possessed exceptional technical skill destined to raise the photographic realism of the movies to a high level. Griffith's Kentucky birth undoubtedly enhanced his sentimental love for the ante-bellum South and its chivalric traditions, especially its idealized notions of womanhood. To typify this ultraromantic innocence, he helped to popularize such stars as Mary Pickford, "America's Sweetheart," Blanche Sweet, and Lillian Gish. *The Birth of a Nation*, his greatest film from the standpoint of direction and photographic art, appeared in 1915, and many individuals paid as much as \$2.00 each for admission. So successful was it that President Wilson had it shown at the White House; he marveled at its effectiveness in teaching history. Unfortunately for the sake of race relations the film was based on Thomas Dixon's novel, *The Clansman*, which dealt with the Civil War and Reconstruction in the most exaggerated fashion, portraying the Negro as an inferior being for whom segregation was inevitable, and showing the old Ku Klux Klan as the shield of southern civilization. Race tensions were undoubtedly heightened by this emotional story, and protests came from liberal leaders of both races.

In expiation—so Lewis Jacobs, the historian of the movies, believes—Griffith produced *Intolerance*, a spectacle costing \$1,900,000, a new record for expense in motion-picture production. As Jacobs observes, this film story of persecution lost much of its point by the overlavish scenes and intrinsic adventure value. For Griffith and his associates million-dollar pictures could be justified by the fact that in 1917 alone motion-picture audiences paid over \$175,000,000 for admission. Middle-class patrons had ceased to regard movies as “low-brow.”

Urban Music: The Search for Native Expression

In the world of music, Americans continued to be rustic provincials, humbly accepting the impatient cuffs of European genius. Captains of industry paid off the perennial deficits of the leading New York, Boston, and Chicago symphonic orchestras. Theodore Thomas, America's best-known conductor, who had come from Germany as a boy in 1845, had long vowed that he would teach Americans to appreciate good music. Dedicated in his honor was Chicago's new Orchestra Hall, where Thomas and his associates blended a program of the symphonic masters with simple, highly melodious pieces for those who had not yet graduated to the stage where they could appreciate Thomas' favorite—Wagner. This type of musical education was the forerunner of “popular night” music.

Anton Dvořák, the great Bohemian composer, had returned to Prague in 1895 after serving as a director of the National Conservatory of Music. He left behind him ardent disciples of his nationalist philosophy regarding the potentialities of native American music—just as he had championed the native themes of Bohemia. To him there seemed infinite possibilities in Indian, Negro, and cowboy music. His *New World Symphony* illustrated the imaginative use of American themes. Among the ablest composers to take up Dvořák's challenge was Charles Wakefield Cadman, a church organist who served as a music critic for the *Pittsburgh Dispatch*. From his study of North American Indian songs he evolved the opera *Shanewis* and such unusually popular Indian themes as “From the Land of the Sky-Blue Water” and “At Dawning.” In a similar tradition was Edward MacDowell of Columbia, regarded as the foremost American composer. His search for authentic native themes (although somewhat

Teutonized by his German training) resulted in the ambitious *Indian Suite* and his melodic *Woodland Sketches* with their romantic songs, "To a Wild Rose" and "To a Water Lily."

The music that Europeans were willing to recognize as "American" owed nothing to Dvořák but a great deal to the Negro and the nervous tempo of the city: the blues, ragtime, and jazz. These musical types apparently evolved from Afro-American idioms, developed through constant improvisations by self-taught Negro bands in New Orleans and elsewhere in the South, and emerged into national attention during the prewar years through the cafés of Chicago and New York. William C. Handy, allegedly "father of the blues," was an Alabama Negro who managed a minstrel show and a band. His adaptation of the plaintive notes and humor of Negro songs, such as "Memphis Blues" (1912) and "St. Louis Blues" (1914), opened the vogue for the blues and the age of jazz. Negro syncopation and the eccentric "ragging" of familiar songs produced the swift tempo and rhythm known as ragtime.

Among the white adapters of ragtime who scarcely knew how to read notes any better than the improvising Negro musicians was Irving Berlin, a singing waiter in the Bowery cafés who had recently arrived with the Russian-Jewish immigration. His "Alexander's Ragtime Band" (1912) captivated millions and heralded the new urban American spirit in music. When the war began, Berlin endeared himself to the "doughboy" by such ditties as "Oh, How I Hate to Get Up in the Morning."

While the infant stages of jazz developed, crowds found the acme of perfection in the operettas of the Viennese such as Franz Lehár's current *The Merry Widow* and Oscar Strauss' *Chocolate Soldier*. Trained in the same romantic Continental tradition was the beloved Irish-American composer, Victor Herbert. His "serious" music was ignored by the public, which demanded more sentimental operettas like *Babes in Toyland* (1903), *The Red Mill* (1906), and *Naughty Marietta* (1910) and the lilting tunes he wrote for Ziegfeld's *Follies*. Also securely established in the affections of the people was John Philip Sousa, "the march king," whose famous band and stirring compositions were also known through innumerable recordings on Edison's newly developed phonograph. Sousa's martial style took its characteristic form in his "Stars and Stripes Forever" and "Washing-

ton Post March." Devotees of the phonograph tended also to collect a great deal of vocal music, particularly that of the artists of the Metropolitan, Enrico Caruso, Galli-Curci, and others.

Urbanized Recreation

Sport bore the undeniable imprint of this urban age of commercial organization, for crowded cities scarcely permitted the simple recreations of a rural society. In baseball at the opening of the century two well-financed major leagues, the American and the National, faced each other in a bitter rivalry for city franchises, territories, and highly skilled players. By 1903 this was sublimated into the more entertaining rivalry which the public enjoyed. Detailed rules were drawn up for playing professional baseball and a national commission was appointed to enforce them. Then there revived the exciting annual World Series, which became a colorful feature of our national life. Fans came to worship Frank L. Chance and John J. McGraw of the National League and Frank Baker and Ty Cobb of the American. The World Series of 1917 attracted 185,000 spectators to its six games and reaped \$125,000 at the box office.

Football remained an amateur college sport in theory, but it too became an expensive regime of high-salaried coaches, an elaborate method of recruiting players, and a scientific study of strategy. The early years of the century seemed inauspicious for the sport when, as in 1903, forty-four players were killed; many others suffered serious injuries each year. The climax was reached in 1905 when Columbia University abolished the game. To save a sport he greatly admired, President Roosevelt invited football leaders to the White House for a conference. This and subsequent sessions resulted in salutary regulations for the game which quickly restored its popularity. By 1914 football had become the breadwinner for the lesser college sports.

Boxing still retained its stigma as the sport *par excellence* of the underworld, despite considerable interest in the exploits of the mighty James J. Jeffries. Promoters found the race issue useful in stimulating attendance when they emphasized the search for a "white hope" able to defeat the Negro champion, Jack Johnson. Basketball advanced considerably under the pioneer sponsorship of Dr. James A. Naismith of the YMCA School in Springfield, Massachusetts; it is famed as the only major sport to originate in the United States.

Horse racing, hounded by reformers, led an irregular existence. When Governor Charles Evans Hughes of New York outlawed race-track betting in 1908, he delivered the sport a heavy blow that drove it to Havana, Tijuana, and Montreal. Despite these handicaps, the year 1912 alone saw over \$6 million distributed in purses and stakes.

Golf and tennis became the middle-class sports of the "dude era" and inspired the expenditure of huge sums in suburban areas for golf links and courts. In his retirement, Roosevelt thought it necessary to warn his good friend William Howard Taft against indiscreetly publicizing his golf game and thus flouting the popular prejudice against dudes. Official sanction was lent to the world of sport in 1910 when President Taft recommended that Congress spend \$50,000 to enable the United States to participate in the First International Field Sports Exposition at Vienna.

The masses patronized overwhelmingly the commercial amusement parks, a leading feature of urban recreation. One resort in New York's Coney Island collected no less than five million paid admissions in a single season. Nor was this tendency limited to the East. The five amusement parks in Kansas City reported a seasonal attendance of almost two million people in the summer of 1911, and receipts close to \$670,000. The bicycle craze which had captivated both sexes in the nineties still held its appeal, supported by the practical consideration that this modest vehicle provided the workman with cheap transportation to his job. All classes of people were attracted to the various world's fairs which blossomed after the famous Columbian Exposition of 1893, and hundreds of thousands swarmed to San Francisco, St. Louis, and other cities where these elaborate pageants were held. So strong in fact was the urge for recreational outlets that the Sabbath-day observance of traditional Protestantism broke down as workmen demanded that amusement centers, including saloons, be kept open on Sundays.

By 1917, nearly half of all Americans lived in towns and cities. To these centers came millions of rural folk uprooted by mechanized farming and multitudes of Italians, Russian Jews, and Slavic peoples from overcrowded or intolerant lands. Southern Negroes escaped a dead-end existence through the factories and the urban schools, gaining political rights that led to direct social benefits. While extremes

of wealth and poverty now met in awkward proximity and the unemployed lacked the safety valve of rural living, laborers grew in strength through their nationally organized unions; their children enjoyed rich opportunities to use their diverse abilities and interests.

Insecurity was increasingly met by the collective strength of trade unions, the government, welfare agencies, and the churches. Therefore, it was the city that provided the dynamo of the Progressive movement, just as it was in later years to furnish most of the voters for the New Deal and the Fair Deal. Women, aided by economic and educational opportunities, won "emancipation" from the ancient system of male autocracy, though critics looked askance at the mounting divorce rate, the shrinking size of the family, and the growth of juvenile delinquency. The demand of the city for trained men and women did encourage extreme vocationalism in education, but it also brought schooling at all levels to people who would have been denied the privilege in sparsely settled farm villages.

The sophistication, secularism, and relative tolerance of city life penetrated into backwater communities through the syndicated press, the syndicated theater, Hollywood, and the commercial organization of sport and other forms of recreation. Finally, the automobile, the telephone, and interurban railways broke down regional differences but unfortunately encouraged a standardized culture. Urbanization had its price, but prewar America felt that this was "progress" and that the gains were well worth the cost. Hamlin Garland, who fled the tedium of rural life to build a literary career in the city, described realistically the monotony and strain of the heartbreaking toil on a middle western farm and the spent lives of his parents in a rural existence that offered them so few compensations. Even Jefferson, the agrarian philosopher, who had once said that cities were sores upon the body politic, lived long enough to repent of his hasty adage.

Chapter 2

DARWINISM AND AMERICAN THOUGHT: 1900-1917

Social Darwinism

In a land of fast-growing cities the prestige of science and technology is naturally high. There is every temptation to mold ideas and the arts around some popular scientific concept and to borrow the language of natural science to describe the social studies. Such was the case when Darwin's biology and, to a lesser extent, the new physics revolutionized American and western European thought. In 1859 Charles Darwin had published the *Origin of Species* to prove that new species evolved through the selective influence of the environment. These organisms survived only if they adapted themselves to the changing circumstances about them. Adaptation could mean a desperate conflict for survival, for nature brought forth organisms in such abundance that only those best fitted to meet the rigid conditions of struggle could hope to survive. Evolution, according to Darwin, was explained through the notion of natural selection, "the preservation of favoured races in the struggle for life."

To the average man the doctrine of evolution was a most unsettling experience. A literal reading of the book of Genesis made man part of a six-day creation in which he had been shaped in the image of God. Lyell, the English geologist, had already shown that the antiquity of the earth was far greater than that implied by Bible literalists; now the evolutionists taught that man himself originated out of

an organic process involving millions of years—hence creation went much further back in time than the year 4004 B.C. which some theologians insisted upon as the exact date of creation. In this era the controversy between religion and science gathered fuel. As late as 1925, most newspaper readers felt the excitement of the famous Tennessee “monkey trial,” which tested the constitutionality of a state law forbidding the teaching of evolution in the public schools. Cities, more hospitable to unorthodox ideas, succumbed first to evolution; but the conservative farms and villages stubbornly resisted Darwin.

By 1900, professors in the social studies were using a Darwinistic approach in teaching their specialties. Following the English sociologist, Herbert Spencer, they spoke of the origin and growth of social institutions like the family, the state, religion, property, and law. For example, the family evolved from the primitive stages of the “matriarchy” to the more settled stage of the “patriarchy” accompanying the rise of private property. Usually it was assumed that the latest “stage” was the best since it had presumably survived the test of adaptation. Had not Spencer himself proved that in the struggle for existence only the fittest would survive?

The chief American disciple of Spencer was the influential individualist, William Graham Sumner of Yale. To him, laissez-faire economics alone insured progress for it permitted the most efficient to succeed; social legislation, however well meant, interfered with progress because it encouraged all the misfits to burden the creative and productive. Among the nonacademic disciples of Spencer were many industrialists like Andrew Carnegie, John D. Rockefeller, and James J. Hill. Although these men were far closer to monopoly than competition, they regarded themselves as champions of free competition and the survival of the fittest.

However, social reformers both inside the colleges and elsewhere also found comfort in Social Darwinism. Instead of relying upon the blind forces of nature to select those qualities best fitted to survive, they taught that human intelligence, strengthened by a practical ethics, could direct the evolutionary growth of society. So thought William James, John Dewey, Lester F. Ward, Henry James, and a host of other progressive-minded men. To the progressives, social evolution meant intelligent and persistent experimentation to bring about the greatest good of the greatest number.

Darwinism in Philosophy: James and Pragmatism

The social evolutionists, by stressing the idea of constant change and the adaptation of institutions to a changing environment, weakened the traditional view that moral values were fixed. Their comparative studies of religion, for example, which showed the similarities of pagan to Christian practices, shattered much of the faith in spiritual revelations, the Bible, and the supernatural foundations of morality. What was right or wrong in one society at a given time might be far otherwise elsewhere or in another era.

In the United States, which was too young and expansive to escape a largely utilitarian outlook, the dilemma posed by social evolution could not be easily answered by purely abstract speculation. William James of Harvard, the distinguished philosopher and psychologist, offered a formula of compromise which the intelligent layman might understand—pragmatism. He quarreled with the professional philosophers who insisted on pure abstractions, fixed principles, and tightly closed “systems” of philosophy. “The whole function of philosophy,” he asserted in defining pragmatism, “ought to be to find out what definite difference it will make to you and me, at definite instances of our life, if this world-formula or that world-formula be the true one.” Pragmatism was not a philosophy in itself but a method to discover what was true. Only by examining the *consequences* of an act did one solve the problem of its goodness, badness, truth, or falsehood. Thus, he reasoned, “If theological ideas prove to have a value for concrete life, they will be true for pragmatism, in the sense of being good for so much.” The pragmatist therefore rejected any kind of reasoning that began by assuming the existence of inherent or objective truth. In religion, for example, as James indicated in his book, *The Varieties of Religious Experience* (1902), that belief was “true” which met most completely the spiritual and temperamental needs of the individual regardless of whether it seemed to others to be an extreme kind of mysticism.

That pragmatism was the child of Darwin was clearly recognizable. To the pragmatists truth was like a changing biological organism which adapted itself to the needs of the individual; it “survived” in competition with other alleged truths and thus became “true.” While high-minded men like James made pragmatism work for them

on a lofty ethical plane, it could easily degenerate into mere expediency without principle or crude relativism. Mussolini, who prided himself upon being a pragmatist, used this doctrine to condemn democracy, which he said was evil in its consequences for Italy. Whatever served the prestige and power of the fatherland, however immoral it might seem from a traditional ethical viewpoint, was necessarily good to the Fascist pragmatists. While democratic Americans liked the emphasis of pragmatism upon action, Fascists argued that thought without action is sterile and hence rejected intellectualism in favor of aggressive nationalism, which based action upon "racial instinct."

Dewey: Pragmatism and Vocationalism in Education

William James admired the application of pragmatism to education made by John Dewey at the University of Chicago. Dewey's theory of "instrumentalism" emphasized that thought was merely an "instrument" for meeting a difficulty; its "truth" depended upon its consequences in action. This of course was pure pragmatism. One intellectual link between James and Dewey was the fact that the Vermont-born philosopher and educator had been trained under James' first student to receive the Ph.D. in psychology, G. Stanley Hall, a pioneer in the movement which made psychology into an experimental science. In 1894 Dewey came to the University of Chicago, which had blossomed overnight through the largess of Rockefeller as a formidable rival to Harvard and Johns Hopkins. Interested parents and associates in "pedagogy" aided Dewey in establishing a pioneer experimental elementary school which was the predecessor of a later crop of "progressive" schools. In 1904 Dewey resigned to continue his work at Columbia, thus making New York City as well as the Chicago Winnetka area preëminent in the diffusion of progressive education.

Beginning with his early lectures on education, published as *School and Society* (1899), Dewey set into motion a revolution in educational theory that swept the schools and colleges within a few decades. He began with the Darwinist idea that man is an organism living in a social environment, which, however, need not dominate him but is itself shaped by his intelligence and ethics. To master his environment, man must train his native capacities to the utmost. The

school must become a society in miniature where direct training is offered in coöperative living, not in artificially memorized assignments. The root of all educational activity is in the "instinctive, impulsive attitudes and activities of the child."

From Froebel, the pioneer German educator, Dewey borrowed the oft-quoted phrase "learning by doing"—that is, the child must participate actively in meaningful projects, including vocational subjects. The aim was the development of the character and personality of the child in an atmosphere conducive to democratic rather than authoritarian principles. Discipline must come from within, by training the child to understand the necessity for it. Here was the "child-centered" progressive school which sought to build a democratic social order by training an alert citizenry to fulfill a creative role in it. Although Dewey's ideas seemed too secular for many churchmen, they had an overwhelming impact both here and abroad upon modern educational theory and practice.

Dewey's "learning by doing" was later unjustly saddled with responsibility for the vogue of vocationalism. Here and in western Europe the city's need for specialized personnel caused the overburdening of the curriculum in high schools and colleges. Commercial and industrial subjects demanded a larger share of the student's time. The "leisure class" studies of Greek and philosophy suffered, though Latin held on tenaciously during its prolonged exit. Congress joined the states in subsidizing the vocational movement. The Smith-Lever Act of 1914 offered federal grants-in-aid to the states for adult training in agriculture and home economics through farm extension classes and demonstrations. A similar grant-in-aid system was provided by the Smith-Hughes Act of 1917, which created a Federal Board for Vocational Education to coöperate with the states in financing and administering the teaching of commercial and industrial subjects. The importance of these two acts within the nation's educational structure was to grow with the years.

Another fruit of vocationalism was the professional school. In 1900 only the University of Pennsylvania had in its Wharton School a professional college for business subjects. In 1908 the magnificent Harvard Graduate School for Business Administration was founded through the philanthropy of George F. Baker, the New York financier. That same year the University of Missouri introduced the first

professional school of journalism. A former Missouri editor, Joseph Pulitzer of the New York *World* agreed in 1903 to establish such a school at Columbia University, but its doors were not opened until 1912.

Urban demands and the traditional American enthusiasm for adult education accounted for the successes in the field of adult education. The University of Wisconsin furnished national leadership in this area of interest by its model extension work throughout the state, its "package libraries," and its correspondence work. In 1913-1915, for example, the University served 525 communities and over 370,000 persons.

The famous Chautauqua Institution, which appealed to thoughtful adults, grew out of the Sunday School movement but was taken up by enthusiastic progressives as a public forum to promote schemes for human betterment. Chautauqua was founded in 1874 at Fair Point (now Chautauqua), in western New York. Theodore Roosevelt was reported to have said during a visit in 1905 that Chautauqua was "the most American thing in America." It offered literary, religious, and scientific lectures by nationally eminent men and women—William James, Jane Addams, William Jennings Bryan, and many more. Dr. William Rainey Harper, before taking over the presidency of the new University of Chicago, directed advanced Bible studies here. His idealistic Chicago associate, Professor Shailer Mathews, organized in 1912 a Department of Religious Work which stressed the reformist spirit of the social gospel. Its home study department attracted 8000 to 25,000 students annually, and brought the teachings of Chautauqua to the villages and towns of the nation. Labor, feminism, international peace, and welfare problems—all had their "day" or "week" on the discussion calendar. By 1916 the Chautauqua Institution had reached the peak of its influence, a worthy successor to the mid-nineteenth century lyceum of Ralph Waldo Emerson.

Pragmatism in Law: "Sociological Jurisprudence"

The greatest triumph of social evolution was the application of pragmatism to law—sociological jurisprudence. Certain European legal theorists had already prepared the way for the idea that law must concern itself less with fixed abstract principles operating in a social vacuum and more with the actual results of judicial processes. Like

a Darwinian organism, law must adapt itself to a changing environment and thus meet current needs. This was a challenge to the orthodox lawyers, who believed that legal certainties were as unchanging as Newton's law of gravitation and could only be "discovered," not made.

Already, in 1870, the Harvard Law School had led the way to a revolution in the teaching of law by dropping the old textbooks with their emphasis on hoary legal maxims. Instead, the new casebook method was adopted which compelled the student to study law as reflected in actual cases. Within another generation the casebook method dominated the law schools. While this was a blow to abstract legal philosophy, it did transform law into a more flexible instrument of social change.

The great proponent of "sociological jurisprudence" or pragmatism in law was Justice Oliver Wendell Holmes, Jr., son of the famous poet of the same name and a Roosevelt appointee to the Supreme Court. Holmes had served in the Union army, where he learned to look upon life as a Darwinian struggle for existence. He became a brilliant legal scholar, lecturing at his alma mater, Harvard, where his pragmatic philosophy was early expressed in several published lectures, *The Common Law* (1881). The life of the law, he said, has not been logic, but experience. Economic and social pressures, including the prejudices which judges share with their fellow men, "have had a good deal more to do than the syllogism in determining the rules by which men should be governed." In effect, he argued that the truth would be arrived at, not by the abstract reasoning of judges who usurped the functions of legislators, but by the free competition of ideas or interest groups.

The most significant influence of Holmes upon American law came through his pragmatic doctrine of free speech—"freedom for the thought that we hate." In *Abrams v. United States* (1919), a radical was held guilty by the majority of violating the Espionage Act because he had distributed pamphlets attacking Wilson's military intervention in Russia. Holmes dissented vigorously in language which best illustrates pragmatism; he believed that "the ultimate good desired is better reached by free trade in ideas . . . that the best test of truth is the power of the thought to get itself accepted in the com-

petition of the market. . . . [We] should be eternally vigilant against attempts to check the expression of opinions that we loathe and believe to be fraught with death, unless they so imminently threaten immediate interference with the lawful and pressing purposes of the law that an immediate check is required to save the country."

Another leader in the movement for sociological jurisprudence was Louis Brandeis, whom Wilson appointed to the Supreme Court bench. Like Holmes, "the great dissenter," he took issue with the tendency of judges to substitute their own beliefs for the will of the legislatures. In *Muller v. Oregon* (1908) his arguments helped to convert the Supreme Court from the extremely individualistic position it had previously taken in blocking shorter hours in industry. His noted "Brandeis Brief" was the use of sociological data to prove the harmful result of long hours upon the health of women. Both Holmes and Brandeis pointed out at various times that the individualistic principle of "freedom of contract" which their conservative colleagues cited to defeat state or national laws protecting the rights of labor was wholly unrealistic. Employees and employers were not so equal in strength as to make wage and hour laws unnecessary; yet this assumption of equality was behind the idea of "freedom of contract." Holmes and Brandeis belonged to the enlightened Darwinians who did not believe that free competition was meant to be an unrestrained jungle war harmful to the public interest.

Darwinism, Urbanism, and Religion: Social Christianity

The secular spirit of city life insured evolution a warm welcome, especially among the middle class. In the 1870's the fashionable congregation of Plymouth Church, Brooklyn, listened sympathetically to the persuasive preacher, Henry Ward Beecher, replace the Calvinism of his ancestors by an enthusiastic argument for evolution—"God's thought in the evolution of matter." Beecher was no economic radical—he disliked trade unions—and his "modernist" doctrines removed such inconveniences as hell while it extolled the goodness of science. Just as the middle-class Calvinists had once believed that success in one's calling proved that one belonged to God's elect, so their descendants among businessmen were often willing to

accept the idea that personal success proved that one represented the survival of the fittest. For them there was no conflict between science and religion.

Charles Darwin and Charles Lyell, among others, had forced the literate citizen to change his traditional ideas of God, man, and the world. Protestantism, which rested so heavily upon the authority of the Bible, faced a most difficult task of defense against the implications of the new biology, the new geology, and the new physics. From the German and English colleges had come the higher-criticism movement, which rejected revelation, miracles, and the supernatural in favor of a rationalistic treatment of the Bible in which errors were pointed out. In Europe and America "modernists" arose to adopt a pragmatic view of theology by arguing that religious dogmas too were part of an evolutionary process of adaptation, changing to meet the conditions of a scientific age. Evolution and the higher criticism were most congenial doctrines to the modernists. To them, science was a precious instrument with which to consider afresh and restate the truths of Christianity. There could be no conflict between science and religion.

Among those who did not trouble, as the modernists did, to reconcile religion and science were the agnostics, who held that the existence of God was neither known nor knowable. Although the leading agnostic, Robert G. Ingersoll, had died in 1899, his enthusiastic disciples were legion; not least of them was the Chicago lawyer, Clarence Darrow. The agnostics drew heavily upon the higher criticism movement for their attacks upon the literal truths of the Bible. Among their adherents were thousands of Czech rationalists who found common ground with the followers of Ingersoll.

The most militant attack upon modernism, agnosticism, and rationalistic groups came from the fundamentalists, the authoritarian defenders of historic Protestantism. Declaring war upon liberal Christianity, they issued some 2,500,000 copies of a twelve-pamphlet series entitled "The Fundamentals"—hence their name—which insisted upon the inerrancy of the Bible and the literal truth of the divine birth, resurrection, and second coming of Christ. Like many of the modernists and agnostics, the fundamentalists were not usually interested in economic reform; the central dogmas of salvation absorbed their energies. Most of them dwelt in the rural South and the

middle western farm belt, but they had some allies in the cities too. One of the urban recruiting citadels of the fundamentalists was the Moody Bible Institute of Chicago, founded by the internationally known evangelist, Dwight L. Moody (he died in 1899), who left behind him several major missionary institutions to carry on the Old-Time Religion. Best known to this generation was William A. Sunday—the famous Billy Sunday—an Iowa-born evangelist and a one-time baseball player. He fought sin and indifference by carrying over into the pulpit the vocabulary and gestures of a baseball pitcher, urging his hearers to “put it over the plate for Jesus.”

Urban secularism and urgent social problems compelled Protestant churches to modify the sharp doctrinal distinctions that had divided the sects in the past. This adjustment took the form of *interdenominationalism*. Between the Civil War and World War I several English religious associations had taken root in this country to preserve the essentials of a Christian faith, particularly among rural newcomers adrift in the city. Such were the YMCA, the YWCA, and the Salvation Army, all of them being interdenominational. Together with the “institutional” church, they recognized that material welfare assistance was an essential preliminary to spiritual aid. The new quest for Protestant unity through interdenominationalism also appeared in the creation in 1908 of the Home Missions Council to direct a noncompetitive missionary movement. In the church-sponsored schools and colleges the new tendency was to substitute interdenominational control in place of the older, exclusively sectarian leadership.

The crowning achievement of coöperation among Protestants was the organization in 1908 of the Federal Council of the Churches of Christ in America to give united expression to the social gospel implied in Christian thinking. Some scholars have traced the social gospel, with its emphasis upon a just social-economic order, to certain medieval movements; others have gone back to the Bible itself for direct sanction and find an ideal of social action going beyond the dogmas of salvation and charity. The immediate impulse came from nineteenth-century England, where Christian Socialists like Charles Kingsley and F. D. Maurice had spread the social gospel—the belief that the doctrinal principles of Christianity were sufficient upon which to reconstruct a just social order. In the United States, notably

after 1880, a vast reformist literature on social Christianity, including novels, short stories, essays, and tracts, came into existence and circulated widely. Chautauqua speakers, liberal ministers, journalists, and academicians joined the movement; among them were Professor Richard T. Ely of the University of Wisconsin, Jane Addams of Hull House, Norman Thomas (a Presbyterian minister who became a Socialist), and Walter Rauschenbusch.

Social Christianity was a major intellectual ingredient in the Progressive movement and found its doctrinal basis in the dogma of God's immanence in human society. According to this view, God pervaded human society to such an extent that the sharp distinction between what was secular and what was sacred disappeared; religion was thus infused into the most everyday experience. This expanded the mission of the church from the traditional duty of saving souls to the task of building a kingdom of righteousness on earth and particularly of transforming the unchristian aspects of economic competition into a religious type of coöperation. Churchmen took part in labor disputes, built up welfare services in their "institutional" churches, and sponsored social legislation.

Walter Rauschenbusch, a Baptist clergyman who labored bravely in Manhattan's slums, was one of the most influential churchmen to spread the social gospel throughout the nation. He knew the writings of Henry George, Tolstoy, and Karl Marx, as well as the scriptures, and based his Christian socialism upon them, though he rejected the Marxist notion of an inevitable class struggle in history. His best-known book, *The Social Principles of Jesus* (1916), reflected the earnest spirit of the ancient prophets and helped to provide a theological framework for the social gospel.

In May, 1908, the Methodist Episcopal Church issued its famous Social Creed. This called for conciliation and arbitration in labor disputes; the protection of the worker from machine hazards, occupational disease, and mortality; abolition of child labor and the sweating system; and the regulation of labor conditions for women. Among its other significant demands were the following:

For the gradual and reasonable reduction of the hours of labor to the lowest practical point, with work for all; and for that degree of leisure for all which is the condition of the highest human life.

For a release from employment one day in seven.

For a living wage in every industry.

For the highest wage that each industry can afford, and for the most equitable division of the products in industry that can ultimately be devised.

These demands were taken up almost verbatim by the Federal Council of the Churches of Christ in America, comprising twenty-seven denominations, and dedicated to a broad welfare philosophy and a program of peaceful international relations. At a time when metropolitan newspapers neglected labor's side in large-scale strikes, these interdenominational church groups often studied and publicized the just demands of the workmen. Not the least of the influences left by the social gospel movement, particularly by way of English social institutions, was the stimulus given to the first settlement houses in America. In a day before the development of scientific social work much of the theory evolved from experiments inspired by the social Christian idealists. At Hull House, Chicago, Jane Addams founded in 1889 a neighborhood settlement house which did a great deal to serve the immigrant newcomers of the West Side. Paul U. Kellogg, American pioneer in the use of the social survey technique of urban research, took up his work at Kingsley House, Pittsburgh, significantly named for one of the founders of modern Christian socialism.

Urban secularism did not prevent the swift growth of the Catholic Church in the United States, for its strong internal cohesion was fostered by its monolithic organization and the aggressively orthodox leadership of the Irish-American clergy. Immigration alone in this period brought in at least five million more communicants from Italy, Austria-Hungary, Bavaria, Russian Poland, and elsewhere. In recognition of the flourishing state of the American church, the Vatican removed it in 1908 from the supervision of the Congregation of Propaganda in Rome and gave it full ecclesiastical status by creating three American cardinals soon afterward.

Although Catholics looked critically upon the materialistic assumptions that they thought underlay evolution and questioned the scientific props for Darwinism, they did not declare open war upon the new science as the fundamentalists did. While Protestants, because of their emphasis upon the sole authority of the Bible, suffered greatly from the science-versus-religion dispute, Catholics were able

to surmount any schism because they based their beliefs upon church authority and revelation as well as upon Biblical sources. As for the doctrine of modernism and similar unorthodox ideas, they were felled at a blow by a papal encyclical, *Pascendi* (1907), issued by Pius X, who denounced modernism as a false philosophy. There were of course Catholic backsliders to radical doctrines, and the prewar Czech immigration brought large numbers of agnostics, but the casualties were not sufficient to endanger the church.

With an overwhelming working-class membership, the Catholic Church encouraged the application of the social gospel to urban problems. In 1891 Pope Leo XIII, dubbed the "workingman's pope," had issued the noted encyclical *Rerum Novarum*, which denounced the unchristian principles underlying an unregulated competitive system and called for a "living wage" to uphold the family. His most gifted American apostle was the Reverend John A. Ryan, a social economist of Catholic University, who published in 1910 his dissertation significantly entitled *A Living Wage*. In this work he condemned any wage system that could not provide workers with comfort, recreation, and security; he even attempted to estimate the minimum wages that this required. Father Ryan devoted a long life to social welfare questions. His ideas influenced the framers of the Mexican Constitution of 1917, particularly in drafting the labor clause, and in later years he gave vigorous support to the New Deal.

Darwinism in the Social Studies

None of the social sciences escaped the evolutionary approach. Sociology was being taught from textbooks written by confirmed Darwinists like Herbert Spencer and William Graham Sumner. Political scientists broke away from the main concern with such constitutional abstractions as sovereignty and the state to undertake a pragmatic approach to the actual workings of government, the observation of the facts of political behavior as a basis for a science of politics. Charles Beard of Columbia, who wrote in a day when historians and political scientists were likely to be the same people, gave a startling exhibit of the pragmatic temper when he wrote *An Economic Interpretation of the Constitution* (1913). He looked up the original Treasury records to learn how much in federal securities were held by the Founding Fathers and came to the conclusion that

they wished to protect the interests of creditor and commercial classes. Beard shocked many academicians by arguing that economic interests rather than ideals had shaped the Constitution. However, the progressives found Beard's ideas grist for their mill when they sought to reform the Supreme Court. Actually, Beard had no quarrel with the Founding Fathers or with the activities of the Supreme Court in declaring acts of Congress or the legislatures unconstitutional. Like James Madison, he believed that the only kind of realistic basis for government was economic self-interest.

The most original contribution to history was made by a professor who applied the method of social evolution to a basic interpretation of American life. This was Frederick Jackson Turner of the University of Wisconsin and Harvard, who had opened new vistas of research and speculation for historians in 1893 by his seminal paper, "The Significance of the Frontier in American History," which he read before the American Historical Association at Chicago. He looked upon the westward moving frontier as an organic process rather than as a fixed place. Each frontier evolved through various stages of maturity from the nomadic hunting camp to the settled town. This frontier process, he held, affected American psychology by encouraging a feeling of nationality, self-reliance, equality, inventiveness, and a mastery over material things. "The true point of view of this nation is not the Atlantic Coast, it is the Great West," he said. Whatever made Americans in any way different from other peoples had much to do with the various "Wests" in our history. But the frontier was gone, he concluded, and with this began a new stage of history. So influential was Turner that comparatively few college teachers of American history of the next generation remained unaffected by the Turner school. The focus of attention moved from the history of the Presidency, constitutional issues, and slavery to the economic and social facts of the westward movement. Now one taught the influence of geographic "sections" in American history and the impact of frontier forces.

In economics, the pragmatists' revolt against pure deductive theory was hastened by the needs of businessmen and industrialists for experts to plan technical economic operations, study price trends, analyze welfare demands, and deal with the conflicts arising out of the new unionism. Among the leading pragmatists in economics were the

institutionalists—evolutionary-minded economists who sought to study the economic behavior of real human beings in a changing society. They turned to history and sociology as well as to economic theory to solve the mystery of recurrent economic depressions, the evolution of capitalism, trade unionism, the business corporation, and the banking system.

The most controversial of the institutionalists was Thorstein Veblen, son of a poor Norwegian immigrant. An unorthodox college teacher, he used cultural anthropology rather than economic theory to explain the origin and growth of modern economic institutions. His best-known work, *The Theory of the Leisure Class* (1899), tried to understand contemporary finance capitalism by tracing its origins from primitive predatory societies to the present day. He believed that men possessed a creative “instinct for workmanship” which expressed itself in high productivity and in the psychology of the engineer. Opposed to such creative people were the parasitic “leisure class” interested in power and prestige even when these drives interfered with creativeness and productivity. He thought that the modern leisure class of financial speculators and businessmen was directly descended from the tribal medicine men, warrior chieftains, and priestly class. The leisure class had subverted the “instinct for workmanship” by making it serve as a mere “price system” based upon profit for the few rather than service for the many. Through their financial endowments, the leisure class had converted the colleges into shamanistic institutions to promote useless antiquarian studies. All cultural life had been transformed into a wasteful rivalry between wealthy families in a futile race to “keep up with the Joneses.” Although Veblen minimized the captain of industry by forgetting his solid contributions in rationalizing economic life, he did influence social reformers and social scientists for decades. New Dealers and technocrats found his ideas fruitful in later years.

Advances in Medicine

In medical science, Americans were most aware of the great discoveries that were made in our advance into the Caribbean. Particularly dramatic was the eradication of yellow fever in Havana after 1900 by a sanitary commission headed by Dr. Walter Reed. In an effort to discover the cause of this disease through self-experiment,

one member of the commission, Dr. Jesse W. Lazear, lost his life and another suffered a physical breakdown. Volunteers came forward; nurses, soldiers, and Cuban natives risked their lives to help the commission. Only by deliberately exposing these heroes to the disease was it possible to demonstrate that the *Stegomyia* mosquito (subsequently referred to as *Aedes aegypti*) was exclusively responsible for its transmission. Armed with this information, Major William C. Gorgas not only cleared Havana of the disease effectively but in 1904 began similarly successful work in the Canal Zone and ultimately attacked it in South America itself.

Another by-product of Caribbean penetration was Colonel Bailey K. Ashford's important discovery that the anemia prevalent in Puerto Rico was due to hookworm. A zoölogist, Dr. Charles W. Stiles, identified the parasite as the major cause of the apparent backwardness of many poor whites in the southern United States. The results of treatment in both Puerto Rico and the South were gratifying. For example, physical examinations in 1911-1914 revealed that almost 60 percent of southern school children had hookworm infestation. By 1918 this figure had been reduced by one-third and the downward trend continued subsequently.

A new spirit of coöperation between research and philanthropy ushered in preventive medicine, a major gain in this era. Persistent attempts to reduce infant mortality led to the official recording of birth rate statistics in 1915 and soon made child hygiene a recognized professional study. The establishment of the Rockefeller Institute for Medical Research in 1901 meant a frontal attack on many problems of preventive medicine and supplemented the work of the inadequately equipped university laboratories. To combat the rising menace of tuberculosis by preventive methods, the Henry Phipps Institute was opened during 1903 in Philadelphia—the first institute for research in this disease. A year later the National Tuberculosis Association was launched for preventive as well as curative purposes, and thereafter a widespread sanitarium movement began.

Rejecting the prevalent attitude of hopelessness toward insanity, American physicians and intelligent laymen pioneered in the field of mental hygiene in an effort to prevent mental illness by clinical methods. Foremost among these was the eminent psychiatrist, Dr. Adolf Meyer, who stressed detailed case histories and personality

studies as a method of discovering the causes of psychoneuroses. The greatest impetus for the mental hygiene movement came from the publication in 1908 of Clifford W. Beers' sensational autobiography, *A Mind That Found Itself*. In it he described vividly the brutalities which he and the other inmates in an institution suffered at the hands of ignorant attendants. He recovered in spite of the harsh treatment and on his release devoted himself to the mental hygiene movement. The ensuing reaction to his exposé helped him in establishing the National Committee for Mental Hygiene to provide scientific care for mental cases and to eliminate the stigma attached to the mentally ill. Partly as the result of this movement, trained psychiatrists enjoyed an accepted role in the new child guidance clinics and juvenile courts as well as in the older courts and prisons.

The Triumph of Chemistry

Of the various natural sciences, chemistry was most at home in the increasingly complex world of commerce and industry. Commercial laboratories, in fact, drained college faculties of many able chemists. At the General Electric Laboratories a former college instructor, Irving Langmuir of New York, invented a gas-filled tungsten lamp while making a theoretical study of atomic hydrogen. "Langmuir, the theorist," asserts Bernard Jaffe in his book *Crucibles*, "saved America a million dollars a night on its light bill of over a billion dollars a year." Aided by the General Electric Company's sympathetic policy toward pure research, Langmuir made a significant theoretical contribution in his concentric shell idea of the atom, in which he explained chemical reactions in terms of electronic groupings within a single atom.

The Du Ponts, long famous as manufacturers of explosives, began to experiment with rayon, artificial leather, and various lacquers and became noteworthy pioneers in these fields. Experiments in extracting aluminum from the ore had been in progress for many decades, but not until 1886 was a satisfactory process found. Its discovery by Charles M. Hall made possible a decrease in the price of this vital metal from five dollars a pound in 1888 to eighteen cents in 1914, thus opening an era which was to be prolific in its use of aluminum. Chemists of this period succeeded in reclaiming used rubber economically and in processing synthetic rubber, but manufacture of the

latter was discouraged by the fact that large supplies of natural rubber were available. Another branch of chemistry saw the discovery of novocaine in 1905. This was epochal in importance for dental surgery and helped to make more credible the reassuring slogan of "painless dentistry."

In nutrition a revolution was in the making. Scientists were absorbed in measuring the caloric (or energy-producing) value of various foods to man and beast, but several noted chemists both here and abroad came to regard this dietary approach as inadequate. During 1912-1916 Professor Elmer V. McCollum of Yale, while studying various ailments caused by dietary deficiency, discovered that retarded growth could be remedied in many instances by a chemical designated as vitamin A, which is found in butter fat, and that certain enervating nerve diseases were eliminated by vitamin B, which is present in yeast, rice, and certain other foods. Other vitamin discoveries continued into the succeeding decades. The new theories of diet awakened extraordinary popular interest but frequently opened the door to the most exaggerated claims by producers of packaged foods.

Literary Realism: Fall of the "Genteel Tradition"

The literary aspect of pragmatism sought expression in an intensive realism based on the varying models of Tolstoy, George Eliot, and Zola, which broke sharply with the evasions and conventionalities of the Puritan "genteel tradition." William Dean Howells, whose novels had opened new vistas of realism to Americans during the later nineteenth century, continued to influence the novelists of the early twentieth, stressing everyday situations, minimizing the importance of plots, and even descending to the monotony of the strictly commonplace in order to achieve reality. More devastating to the Victorian mind was the gradual emergence of naturalism. This school sometimes buried the traditions of literary aesthetics in its endeavor to portray life with the fullest scientific detachment. To the naturalists who followed Zola, man was a helpless pawn controlled by the determinist forces of his environment and heredity. Free will, in the sense of genuine choice, was an illusion. Morality was replaced by amorality in which ethical judgments were totally irrelevant. Descriptions of sex life, mental perversions, and human irrationality flowed

easily from the pen of the fatalistic and pessimistic naturalists and shocked the older realists by their utter frankness.

Although men like Mark Twain, Bret Harte, George W. Cable, and Joel Chandler Harris, who represented the older realism of an optimistic epoch, lived into the new century, their work was done. Far less confident were the younger realists who dealt with the declining frontier, such writers as Hamlin Garland, Jack London, and Willa Cather. Garland wrote grim tales of the Middle Border, not overlooking the sordidness of rural life intensified by the exploitative forces of the new economics. His autobiography, *A Son of the Middle Border* (1917), united the scattered threads of his short stories and novels into a candid picture of the harsh realities of life on the late-nineteenth-century frontier of Iowa and the Dakotas, where his family struggled vainly for a stable existence.

Just as Garland expressed the thwarted psychology of the rural Middle West which had gone down to defeat in the nineties with Bryan, so Jack London, at various times a rancher and a vagabond on the Pacific coast, carried his revolt against the entire *bourgeoisie*. Although his numerous socialistic works such as *The War of the Classes* (1905) and *The Iron Heel* (1907) were limited in influence, the American public knew him well for his extraordinary storytelling ability, particularly in tales of the Alaskan frontier. For all his collectivist philosophy, London was fascinated by the sheer will-to-power of the rising industrial leaders. Even his *Call of the Wild* (1903), an animal story, is an allegory of the resurgence of a long-lost predatory instinct in Buck, a domesticated dog that returns to the forests and wins leadership of the pack after a primitive struggle for survival in which cunning as well as strength plays a part. *The Sea Wolf* (1904) utilizes this theme of domination through the crude will-to-power on the part of a sea captain, Wolf Larsen. But in his journalism London stressed the world mission of the Anglo-Saxon to win political supremacy and warned against the "yellow peril."

Naturalism, according to some critics, made its debut among American readers before 1900 in the work of the New York reporter, Stephen Crane, whose psychological Civil War novel, *The Red Badge of Courage* (1895), left little room for heroics or the human will. A member of Crane's school but even more directly affected by Zola, Frank Norris displayed a modified determinist philosophy in his nov-

els. He was too much a rebel at heart, however, to preserve the detachment of the consistent mechanistic philosopher. In *The Octopus* (1901) and *The Pit* (1903), Norris dealt with a social epic of wheat and the abuses arising in its production and distribution. The story of irresponsible speculation, corruption, exploitation, parasitism, and the passing struggle for power fills these novels. To Norris, railroad monopolies were "the octopus," and the Chicago grain exchange was symbolized as "the pit," the term used colloquially for the traders' room.

Chief proponent of the naturalistic school was Theodore Dreiser. His *Sister Carrie* (1900), dealing with the mistress of several sordid figures, won early recognition from Frank Norris but shocked most of the reviewers and frightened publishers away. In Dreiser's mechanistic philosophy there seemed little room for human sympathies, and his skepticism barred any real hope for a better world. In *Jennie Gerhardt* (1911) and *The Genius* (1915), he portrays good and evil with cool detachment, creating living characters in all their selfish, brutal, decadent, or lustful reality. His interest in social history is seen in the fictional account of Charles T. Yerkes of Philadelphia and Chicago, who appears as Frank Cowperwood in *The Financier* (1912) and *The Titan* (1914). After studying newspaper accounts of Yerkes and then interviewing numerous businessmen who knew the man, Dreiser embarked on these thinly fictionized two volumes that depict an utterly unscrupulous, lustful, and predatory financier, as he saw him. Substituting the effect of careful, overwhelming detail for any personal note of protest, Dreiser attempted to show how Cowperwood's corrupt individualism disintegrated the social life of a community, down to the most trivial occupation. Readers gasped at the offhand frankness with which he portrayed the illicit sex life of his characters and at the starkness of his realism.

Literary men who clung to the older aestheticism of the eighties fared harshly at the hands of critics in this atmosphere of naturalism. If the genteel tradition meant "the divorce between our educated minds and experience," there was now little room in the pragmatic gospel of action for the older aesthetic ideal of "art for art's sake." Ironically it was Henry James, the brother of the high priest of pragmatism, who suffered most among the novelists of his day from the literary canons of naturalist critics. He professed a realism of the

inner life and drew exquisite pictures and subtle characterizations of people who existed only in his own delicate imagination. Rejecting the American emphasis on the deed, James fled to England, where he found a congenial home in which the aesthetic traditions of Walter Pater and Oscar Wilde survived. In *The Ambassadors* (1902), the novel that James considered his best, he characterizes a New Englander, not unlike the author himself, who despises the materialism of his factory community and is fascinated by the charm of the historic cities and traditional countrysides of Europe.

The New Romanticism

But the "gentle reader" to whom popular novelists had addressed themselves for the past century was far from extinct. Publishers still derived their chief income from those who insisted that literature remain an escape from life rather than a dissection of it. At the turn of the century the best seller was likely to be a highly fanciful historical romance like Charles Major's *When Knighthood Was in Flower* (1898) or George B. McCutcheon's *Graustark* (1901), a love story laid in a mythical Balkan country, or the entertaining historical novels of the prolific F. Marion Crawford. Mary Johnston's *To Have and to Hold* (1899), a graceful adventure story about Indians and pioneer scouts, sold 285,000 copies. In 1901 alone, the historical romances by Sir Walter Scott found more than 100,000 American customers, besides those who read the well-thumbed copies in the libraries.

The new romanticism reflected the popular optimism and expansiveness in an era of triumphant capitalist enterprise, even if current fiction harked back to an idealized Middle Ages of brave knights and fair ladies. Adventure stories were in great demand. Rudyard Kipling's engrossing tales and stirring ballads of India popularized imperialist adventures as "the white man's burden" for civilization and attracted many American readers. Although Robert Louis Stevenson died in 1894, his stories of adventure had an extraordinary American following. Escape from the prosaic world of business and the machine could be guaranteed for the reader of Jack London's stories of the Yukon. Outstanding among the writers of ephemeral literature was Richard Harding Davis, the famous war correspondent, whose plots seldom lacked action. He showed amazing versatility in adapting his numerous novels and short stories to the changing styles in popular

reading, and he won a host of admirers for his resourceful soldiers of fortune and the Van Bibber tales of Manhattan's upper society. Trite copybook formulas in the sentimental vein of the Sunday School brought wealth to the retired minister, Harold Bell Wright, whose books, *The Shepherd of the Hills* (1907) and *The Winning of Barbara Worth* (1911), each sold one and a half million copies.

In 1899 a literary meteor shot up in the field of the short story and blazed brightly for at least a decade before it began to fade. William Sydney Porter, better known by his pen name O. Henry, came originally from North Carolina. Unknown to his readers, he served four years in prison for embezzling funds from a Texas bank in which he was a teller. His rich fund of experience was gained in South America while he was evading officers of the law. Hailed for a time as the "American Maupassant," he turned out hundreds of stories marked by frontier humor, a whimsical form of sentiment, and a fascinating trick of surprise endings. The literary critic, Fred L. Pattee, pointed out O. Henry's peculiar sympathy for the philosophy of his law-breaker characters and his inability to draw individuals who were not caricatures, but noted his influence on the technical style of the American short story. Over four million copies of O. Henry's books, especially his *Cabbages and Kings* (1904), had been sold by 1919.

Realism and Native Expression in Painting

American painters and sculptors continued as ever to cling to colonial dependence upon Europe. Inevitably they felt the impact of science, Darwinian and otherwise. By 1900 "impressionism" was at least four decades old; it had been born in France of a vogue for purely subjective art ("Art for art's sake") and the science of optics. Impressionists tended to place separate colors side by side so that they could blend with brilliant effect upon the retina of the spectator. The expatriate American, James Whistler, whose "Portrait of My Mother" adorned innumerable household walls, was an enthusiastic champion of the "art for art's sake" school of impressionists. To him, art was under no obligation to tell a story, to teach a moral, or even to be intelligible according to the standards of the masses. Here was another blow at traditional certainties.

Long before Whistler's death in 1903, American painters were eagerly studying the more realistic "postimpressionism" of Paul Cé-

zanne. Out of Cézanne's observation that figures tended to express themselves in basic geometrical patterns evolved the theories of "the wild beasts"—(*les fauves*) as academicians called them—who sought to experiment with abstractions and cubist paintings; this was the school of Pablo Picasso and Henri Matisse. A landmark in American art experience was reached in 1913 in the dazzling—and bewildering—New York Armory Show. Here one saw the work of Picasso and the controversial "moderns." Americans stared politely at these abstractions and fantasies, then whispered anxiously, "But is it art?" Nevertheless, modernism in art had a legion of native devotees by the 1920's.

The experimental spirit in the arts was checked by businessmen and the museums they subsidized. Aesthetic conservatism had an economic base. European "masters" were always safe investments, as good as money in the bank for purposes of collateral, while native artists and innovators involved obvious risks. Among the fortunate living American artists who had won both respectability and impressive recognition was Winslow Homer of Maine. He had departed from the older romantic school of the Hudson River painters to depict real men and landscapes that were true to experience, especially in his pictures of the sea. That era, however, failed to fully appreciate one of its greatest geniuses, Albert P. Ryder of New York, who struggled for a livelihood while he produced subtle masterpieces. His imaginative "Toilers of the Sea" revealed the profound insight and other-worldliness so frequently encountered in his marines and landscapes. Perhaps America's declaration of independence in art came after a fashion in 1908 with the "revolt of the Eight" against the domination of Europe and the "academies." This group included Robert Henri and John Sloan (and later George Bellows). They were sometimes dubbed "the Ashcan School" because of a tendency among some of them to portray slums, prize fights, street girls at night, and other subjects taken from New York's East Side.

Chicago and the Birth of Modern Architecture

In the nineties Chicago had come to occupy a commanding position as the cultural center of the nation, just as New York City was to dominate intellectual life in the twenties. Chicago was the city of Theodore Thomas and his orchestral music, the home of Jane Addams and the settlement movement, and the adopted center of the

significant Middle West novelists and poets for whom there was now a growing list of publishers. The wealthy merchant and industrial class, from the Marshall Fields to the McCormicks, Armours, Swifts, and Palmers, had shown extraordinary enterprise in building up a sturdy metropolis to serve the Mississippi Valley. The merchants had initiated the nation-wide vogue for city planning through Daniel Burnham and Charles Wacker and had thrilled the world with their spectacular exhibits and architectural taste in the Columbian Exposition of 1893.

Following its devastation by fire in 1871, the rebuilding of Chicago proceeded rapidly under the direction of such leading architects as Daniel Burnham and John Root. The Columbian Exposition in 1893 served to advertise that city's growth as no other event did, and it brought admiring visitors from all over the world. The beautiful landscape work was planned by Frederick Law Olmsted, a prominent architect who had done much to raise his specialty from its humble beginnings in landscape gardening to his imaginative conception of Central Park in New York, Prospect Park in Brooklyn, and Franklin Park in Boston. The older generation still remembered him as the famous author of *The Cotton Kingdom* (1861), which attempted to explain the ante-bellum South to northern readers. Despite his advanced age, Olmsted gave the Exposition in Jackson Park its graceful network of lagoons, wooded islands, and shrubbery. In erecting the main buildings of the Fair, the architects combined plaster of Paris and jute fiber to produce an illusion of white marble, thus giving Chicago its flattering name, "The White City." Burnham, who was in charge of the general architectural plans, deferred to eastern architects who insisted upon classical and Renaissance building models. So sensational was the popularity of the Fair, despite its curtailment by the depression of 1893, that the nation was soon swept by a vigorous demand for the historical styles in architecture which had been revived at the lake front.

A young Irish-American architect of Chicago, Louis H. Sullivan, viewed this imitative trend with severe condemnation and later denounced the "virus of the World's Fair" for spreading an epidemic of "bogus antique" and delaying the progress of truly modern architecture by half a century—an exaggerated estimate. He derided the "classic and Renaissance merchants" for creating a "culture lost in

ghostly *mésalliance* with abstractions." After Greek and Roman temples ceased to attract enthusiasts, the country was swept by a vogue for eclecticism in art, with free American adaptations of almost every conceivable European style. Abroad, especially in Austria, some experiments had already been made with modernism, but they had little influence in this country.

Sullivan had been trained in France and had studied the historical styles of architecture, but, an enthusiastic reader of Darwin and Spencer, he was influenced by the skepticism of the modern scientific spirit. Rebelling against the conventional patterns, he insisted on experimenting with a plastic art that would meet all the practical demands of modern living and industry without suppressing the function of the structure beneath an alien design suitable only for some bygone age. Borrowing the evolutionary idea, he thought of a building as an organic thing which adapted itself to its environment by serving the basic needs of its occupants for light, air, and comfort. This meant that "form follows function," a famous phrase which gave the name of functionalism to the architecture of Louis Sullivan and his modernist disciples.

The rapid crowding and the rising land values of the cities made the skyscraper a necessity, especially in Chicago and New York. Both cities had begun to build these giants, aided by the new hydraulic and electric elevators, during the last quarter of the nineteenth century. The tall structures were fitted into the old narrow streets and added to the congestion. With the increasing use of thick concrete walls for skyscrapers, the windows had to be narrowed in size and the rooms left in partial darkness. Chicago architects, less wedded to custom than their New York rivals, experimented successfully with a new all-steel framework, the result of recent technological advances in treating steel, and solved the problem of lighting and aesthetic grace. William Jenney, Sullivan's mentor, proved to be the pioneer in this field in 1883 when he built the ten-story Home Insurance Building of Chicago, encasing a fireproof steel framework. Sullivan taught that the architectural design of the skyscraper must stress the idea of tallness by continuous vertical lines which would make the building look like a "proud and soaring thing."

While Sullivan felt frustrated in his desire to see architecture be-

come the social expression of an age, his disciple, Frank Lloyd Wright, had already applied functionalist ideas to residential buildings with notable success. But his achievements were as yet appreciated far more in Germany than here. Rambling eclecticism continued to dominate the prewar era, though the art of the skyscraper had already become a distinctive American contribution in the field of aesthetics.

A backward glance reveals the overwhelming social implications of evolution. While Darwinism did encourage conservatives to cling to their individualistic beliefs behind the Spencerian banner of the "survival of the fittest," it gave even greater comfort to the progressive-minded, who believed that intelligence, not chance, would guide the stages of evolution to a better social order. Dewey's "progressive education" taught that the school was an organism that could be directly adapted to fit the needs of a democratic society. The pragmatic philosophy of William James and Dewey encouraged social experimentation by insisting that truth itself was not an absolute thing but could be known only by its practical consequences in action. Churchmen, as we have seen, reflected Darwinism in several ways, some by frankly accepting modernism, which regarded religious truth as evolutionary rather than fixed; but many more met the attack of the evolutionists by interdenominational coöperation, thus reducing doctrinal distinctions, and by applying the "social gospel" to the immediate problems of labor and social welfare.

In law, a vanguard—not yet the majority—adopted evolution by creating "social jurisprudence," which treated justice not as a fixed thing to be "discovered" but as an evolving concept suitable to meet the conditions of a changing social system. Men like Brandeis and Holmes found the principles of social jurisprudence useful to break down the wall against needed welfare legislation. All the social sciences, in fact, had their evolutionary approach. The natural sciences, too, were stimulated by the Darwinist vogue for experimentation. Literature reflected Darwinism by its emphasis upon naturalism, in which the individual pits his will against a hostile environment. And among the arts, the deepest impress of Darwinism was felt in architecture, where the modernists declared war upon the absolutism of

historic styles, whether classical, Gothic, or Renaissance. They turned to the pragmatic experimental method of adapting a building to the modern needs of its occupants in that environment.

Everywhere, the educated classes that had been born amid fairly stable traditions were succumbing to the belief that this was a world of constant change, adaptation, and readaptation, and that truth was relative. While the evolutionists lost ground in the social studies by the thirties, the real intellectual challenge became clear after World War II with the revival of natural-law concepts and neoorthodoxy. Meanwhile, evolution served as a mighty stimulus for social experimentation and salutary reforms. It gave the authority of science to the current faith in inevitable progress.

Chapter 3

“THE CURSE OF BIGNESS.” THE ROOSEVELT-TAFT ANTIMONOPOLY CRUSADE: 1900–1913

The Decline of Competition

The adventurous spirit and ingenuity of American business enterprise continued to raise the standard of living to higher levels, and the businessman seemed solidly entrenched in his social and political leadership. But the alarming growth of monopolies shook the faith of many citizens and filled them with apprehension for the future. Reformers, supported by farmers, small businessmen, and the unions, were alarmed by the fact that industry had come increasingly under the domination of bankers and speculators. Populists, progressives, and other critics denounced the allegedly sinister influence of the “money power,” “Wall Street,” and the “international banker.” To them it seemed that government would become a vassal of big business. Socialists freely predicted and hoped that the trend toward monopoly would inevitably usher in a socialist state. Even the prosperity of the final years of the McKinley regime could not still these basic fears.

Bigness grew out of several factors, of which the most evident were the new technological advances, a vast domestic market unified by railroads, and the efforts of businessmen to escape the savage price wars which grew out of overproduction and keener competition. After the Civil War, declining prices in many fields reduced the margin of profit and made competition frequently destructive. The

machine meant high overhead costs and encouraged owners to over-produce in the hope of profits. Peace often came after a long price war through a treaty which consolidated the holdings of erstwhile competitors. The first revolutionary cycle of large-scale consolidations took place between the two depression years of 1886 and 1893. The great panic of the mid-nineties threw thousands of large firms into receivership. As a result, a second cycle of consolidations came about during the recovery years of 1897-1903, when the Morgans, the Schiffs, and other bankers were able to combine the economic derelicts into super-monopolies. When the brief stock crash of 1903 halted the second cycle, there were already national monopolies (or "near-monopolies") in tobacco, oil, sugar, whisky, cash register manufacture, and meat packing among a host of lesser combines. John Pierpont Morgan, the most powerful financier of the era, intervened repeatedly in behalf of his investment clients to halt incipient war between industrial giants by merging their holdings within such vast combines as the United States Steel Corporation, the International Harvester Company, and the American Telephone and Telegraph Company.

Theodore Roosevelt became President at the height of the great second cycle of consolidations. At the end of his first term in 1904 there were 318 industrial consolidations, of which over two-thirds had come into existence since 1898; altogether they represented \$7.25 billion of investment. By that time six groups of investors controlled 95 percent of all railroad mileage and even these investors were linked through interlocking directorates and investments in each other's concerns. The actual effect of these monopolies upon the national welfare is controversial. Academic economists then and since have denied that the grip of monopoly was so tight as to raise prices by collusion or mere fiat. In fact they point out that the extent of price rises after 1900 was far greater outside of the consolidation movement than within it. The would-be monopolist had too strong a fear of public opinion and of the possibility that consumers would find substitutes for his products if prices were pushed upward substantially. On the other hand, economic historians have been more critical. Professor Harold Faulkner has recently asked, "How could the price of Bessemer steel rails remain fixed from 1901 to 1916 when previous prices between 1867 and 1900 had never been the same for two con-

secutive years?" The head of the United States Steel Corporation, Elbert H. Gary, began in 1907 to hold the famous "Gary dinners" at which steel prices were virtually fixed for the entire industry.

Government, wittingly or unwittingly, lent its strength to the monopoly movement. The tariff system, defended by Republicans as a guarantee of the "full dinner pail" and only mildly challenged by the divided Democrats, protected such monopolies as the Sugar Trust from competition with cheaper sugar from abroad. Even the patent system, devised to encourage inventors, actually made it possible for a single firm which controlled basic patents, like the United Shoe Machinery Company, to dictate to the entire industry. If federal and state laws succeeded in outlawing pools, trusts, or other restraints upon competition, the monopolist often found refuge in simply merging his interests with those of competitors.

Corporations made possible huge aggregations of capital and owed much to the fact that they could escape effective regulation by securing a charter from the complaisant legislatures of New Jersey, Delaware, or West Virginia. Besides, the Fourteenth Amendment, which northern voters in 1866 had intended to protect Negro civil rights, actually came by the 1880's to endow the corporation with a large measure of immunity from hostile state laws. "No State," reads the crucial first section, "shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws." Since corporations were "artificial persons" in the eyes of the law, they secured the powerful protection of the federal courts against the efforts of state legislatures to regulate business effectively.

Thus it happened at the accession of Theodore Roosevelt that the minds of most judges and legislators were still dominated, as in Jefferson's day, by the philosophy of *laissez faire* despite the fact that competition had declined markedly. At a time when western Europe was moving rapidly in the direction of social control of business, America hesitated. Extreme individualists identified the "American way" as that of unregulated competition or, like Rockefeller, Carnegie, Hill, and other Social Darwinists, argued that state regulation interfered with the survival of the fittest.

One of the keenest critics of monopoly was Louis D. Brandeis, the successful Boston lawyer who became the chief spokesman of the competitive philosophy. He converted many businessmen to the efficiency ideas of Frederick W. Taylor and argued that too many firms had expanded beyond the point of maximum returns per unit by concealing their basic weaknesses through monopolistic prices. This was the burden of his argument in a famous essay, "The Curse of Bigness," which appeared in *Harper's Weekly*. Mere bigness, he declared, did not mean lower prices or a better product to the consumer. More than that, the trend toward finance capitalism, which made the banker rather than the owner-manager dominant in industry, led toward an inefficient and exploitative "money power" which even threatened popular control of government.

These ideas were elaborated in two of his best-known writings, *Other People's Money* and *Business a Profession*. He had closely studied the revelation made by Charles Evans Hughes in 1905 regarding the gross inefficiency, high costs, nepotism, and corrupt political activities of several of New York's largest insurance firms, which had scarcely been affected by competition. Two years later, Brandeis campaigned successfully for a system of cheap industrial insurance for the workmen of Massachusetts and introduced a state-operated "over-the-counter" insurance which did away with the expense of collectors who gathered small sums from policyholders each week or so. The competition offered by these state insurance companies compelled private firms to return to sound, economical insurance practices. Very slowly, however, other states followed the leadership of Brandeis in this field.

Brandeis called for a regulated system of competition—not mere "regulated monopoly," which allowed the government to fix rates for monopolistic businesses. He was to convert Wilson to his idea of a system of federal supervision which would outlaw those business practices likely to destroy competition. Out of such theories grew the Federal Trade Commission and similar agencies of regulation.

In politics, the reformist basis for Theodore Roosevelt, Taft, and Woodrow Wilson had been laid by a long line of social rebels—Grangers, Alliancemen, Populists, and Progressives. Rural radicals had sprung up among the staple farmers who had been crushed for a generation between the rock of declining crop prices and a wall of

fixed debts. Although they organized as Grangers after the Civil War and wrote radical middle western constitutions, they succeeded only in part in regulating grain warehouses and railroads. In Congress, they secured the Interstate Commerce Act of 1887, intended to outlaw the discriminatory practices of railroads and to regulate rates. However, the Supreme Court, in several conservative decisions, deprived the Interstate Commerce Commission of real power. Likewise, the Sherman Antitrust Law of 1890, which it was hoped would open the door to federal regulation of big business, was also weakened by Court interpretation at the time Roosevelt became President. Much of the energies of reformers had been drained in a fruitless battle to inflate the currency that began with the Greenbackers and ended with the free silverites; however, the country had become thoroughly aware that the National Banking System was not sufficiently flexible for the times.

Finally, the major parties, which had quarreled wastefully for a generation over Reconstruction, the tariff, civil service reform, and numerous personal issues, had come during the great depression of the nineties to face the basic problems of insecurity. Third parties like the Populists converted the liberal wing of each major party to a program of antimonopolistic reform. Even the victory of the genial, stand-pat conservative, William McKinley, in 1896 and 1900 could not long defer the popular pressure for real leadership from Washington. Thus it happened during the next few decades that the wide gap between the social welfare legislation of Europe and America was visibly reduced.

Theodore Roosevelt: Origins of a Progressive

On September 6, 1901, an anarchist's bullet stopped President McKinley's career at Buffalo on the eve apparently of certain concessions to the rising reform spirit. Vice-President Theodore Roosevelt solemnly reassured the worried business and financial community that he was retaining both McKinley's Cabinet and his policies. Had he not shown his hatred for radicalism by attacking Altgeld of Illinois, who had pardoned the Haymarket anarchists, and by ridiculing Bryan, the Populist-minded Democrat? Privately, the new Chief Executive boasted a year later to his intimate friend, Henry Cabot Lodge, "I am genuinely independent of the big monied men in all

matters where I think the interests of the public are concerned, and probably I am the first President of recent times of whom this could be truthfully said." This was somewhat hard on his predecessors, but it did show his belief that he was immune to corporate pressures.

The youthful statesman—he was scarcely forty-three—came from a well-to-do colonial family of New York and had been reared in a strong moral tradition. Once a sickly child, he had willed himself to develop a strong body, aided by his love of the outdoors and sport. His letters and speeches were full of admiring phrases for "the strenuous life," "virility," and masculine strength—all symptomatic of an aggressive temperament. A two-year experience as a North Dakota ranchman, even if it proved costly to his pocketbook, confirmed his enthusiasm for action and inspired such writings as *The Winning of the West* (4 vols., 1889–1896).

At Harvard he had been an excellent, though not brilliant, student, fond of history but not too well grounded in economics. Thereafter, he studied law briefly and promptly turned politician, beginning as a liberal Republican in the New York Assembly. Defeated in a race for mayor of New York in 1886, he consoled himself by taking a post on the federal Civil Service Commission, showing an honest zeal for the merit system that remained with him as President. Next, he was head of New York's Board of Police Commissioners—he was temperamentally suited for the role of policeman—and learned much about social conditions from observation and from his friendship with Jacob Riis, a police reporter who had founded a settlement house in the slums. Riis was one of those reform writers whom Roosevelt was later to call "muckraker," for he revealed the shocking abuses in housing conditions in *How the Other Half Lives* (1890).

In foreign affairs, Roosevelt found most congenial the naval expansionist ideas of Captain Alfred Thayer Mahan, who believed that sea power was the key to national greatness throughout modern history. Mahan's views were applied by Roosevelt when he became McKinley's Assistant Secretary of the Navy and took the initiative in sending fleet units to the Far East in anticipation of war. He chafed while the President delayed military action against Spain; to him McKinley lacked "the backbone of a chocolate éclair." Then he was off to war as a colonel of a volunteer cavalry regiment, the Rough Riders. His well-publicized war record (which Mr. Dooley, a newspaper char-

acter, entitled "Alone in Cubia") helped to elect him as governor of New York and then as Vice-President in 1900. The dull task of presiding over the Senate was not to his taste and he feared that the Vice-Presidency meant political oblivion, but he denied that he had been "kicked upstairs" by order of "Boss" Tom Platt to get the aggressive insurgent out of New York politics.

Reviving the Sherman Act

Roosevelt had already shown some prolabor sympathies and anti-trust leanings in the New York Assembly and as governor. His new role of cautious statesmanship was intended to reassure conservatives. He called upon the party oracle, Senator Marcus Alonzo Hanna, the Cleveland industrialist—"Dollar Mark," as the cartoonists liked to picture him—to scrutinize the first draft of his annual message to Congress. Hanna had long fought Mayor Tom Johnson, Newton Baker, and other progressives in his home city, but he had lately busied himself with some socially-minded plans of the National Civic Federation. Still, he insisted upon toning down militant phrases and felt that it was politically dangerous to make an issue of corporation control. He yielded to the necessity for some concessions to public opinion in the light of the growing reform sentiment. No one could ignore the resounding blows against railroad and corporate abuses struck by Governor Robert M. La Follette of Wisconsin. Senate commissions were then publicizing revelations regarding the grip of monopolies upon national life. The Middle West, particularly, was seething over the rising cost of living that was popularly attributed to the schemings of the trusts.

The President's message traced the rise of huge fortunes to the unusual growth of industrial cities and the talents of the captain of industry rather than to tariff favors or other artificial factors. "America has only just begun to assume the commanding position in the international business world which we believe will more and more be hers. It is of the utmost importance that this position be not jeopardized. . . . Under such conditions it would be most unwise to cramp or to fetter the youthful strength of our nation." Having made these reassuring remarks to the "stand-pat" elements, he turned gently to the "hurtful" features of the trust movement. Overcapitalization he specified as the chief evil, and he proposed that the federal

government supervise corporations when their operations injured the public. State laws had proved ineffective in practice. The main weapon of the federal government would be publicity regarding the workings of the great corporations as a preliminary to action if needed by Congress or the administrative agencies. His guarded language was satirized by "Mr. Dooley," the journalistic creation of Finley Peter Dunne of Chicago: "Th' trusts, says he, are heejooos monstheres built up be th' inlightened intherprise iv th' men that have done so much to advance progress in our beloved country, he says. On wan hand I wud stamp them undher fut; on th' other hand not so fast. . . . Lave us laugh an' sing the octopus out iv existence."

First in Roosevelt's mind was his hope to restore to health the badly debilitated Sherman Antitrust Act of 1890, which had solemnly warned: "Every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several states, or with foreign nations, is hereby declared to be illegal." Guilty monopolists might be fined up to \$5000 or sent to jail for a year, perhaps both. The President was particularly anxious to reverse the Supreme Court ruling in *United States v. E. C. Knight* (1895). This suit involved the American Sugar Refining Company, which had bought out four competitors and thus controlled no less than 98 percent of the domestic refining industry. The Court drew a rigid distinction between manufacturing and commerce, arguing, "The regulation of commerce applies to the subjects of commerce, and not to matters of internal police." No conspiracy to monopolize interstate commerce was evident in the purchase of stock in the sugar refineries concerned. Thus the government failed to make the Sherman Act serve as a shield against a clear-cut case of industrial monopoly.

One of the President's first major victories was gained in connection with the projected combination of the leading transcontinental railroads. The ambitious Edward H. Harriman, whose dreams of railroad conquest not only spanned the continent but took in the Orient as well, had succeeded, with the financial backing of Kuhn, Loeb, and Company, in merging the already extensive Union Pacific and Southern Pacific railroads. His rival, the mighty James J. Hill, with J. P. Morgan's support, had combined the Northern Pacific with his Great Northern lines. The plan was for Hill and Morgan to purchase the Chicago, Burlington, and Quincy Railroad jointly; this would give

Hill his own connection with Chicago. When the Harriman forces staged a stock market raid in May, 1901, to get control of the Northern Pacific and indirectly of the Burlington system, the battle precipitated a Wall Street panic. Peace was reached when the contending parties agreed to organize, under New Jersey law, the Northern Securities Company, a holding company capitalized at \$400 million; it combined the railroad stock ownership of both parties.

This deal gave Roosevelt an opportunity for a dramatic coup whose preliminaries had been secretly arranged. On February 19, 1902, his Attorney General, Philander C. Knox, former counsel for Andrew Carnegie in the steel merger of 1901, announced publicly that the administration intended to file suit at St. Paul to dissolve the Northern Securities Company as a violator of the Sherman Act. Simultaneously, however, *Roosevelt reassured big business in a speech at Charleston, South Carolina; in it he said that this was an era of combinations in labor as well as capital and that both types of combinations were frequently for the public good. He assailed the demagogue "who raves against the wealth which is simply the form of embodied thrift, foresight, and intelligence."*

The defeat of the Northern Securities in 1904 by the Supreme Court, although by a narrow margin, gave new life to the Sherman Act and a temporary setback to the holding company device, if not to the combination movement itself, for the latter was driven to new underground channels. James J. Hill, who sincerely believed that his plans for combination would stabilize the erratic railroad business in the public interest, saw only a selfish political adventure in the anti-trust assault. "What has been the result?" he asked caustically. "To the owners of the properties, merely the inconvenience of holding two certificates of stock [of the Northern Pacific and the Great Northern] of different colours instead of one, and of keeping track of two different sets of securities. To the public, no difference at all except that it has missed the advantages which the simpler and more businesslike plan would have secured. . . ." Nevertheless, Roosevelt took pride in overthrowing the dead weight of the sugar case precedent, which, because of the Supreme Court's refusal to recognize the implicit intent of the sugar combine to restrain interstate commerce, had discouraged indictments under the Sherman Act. Justice Harlan's opinion in the Northern Securities case was so sweeping in its

denunciation of trade conspiracies in both manufacturing and transportation as to offer some support for Roosevelt's contention that the E. C. Knight decision had been reversed. The Sherman Antitrust Act had been reinvigorated.

The Northern Securities case brought Roosevelt popularity, especially in the Northwest, where the Hill railroad combine was cordially disliked. Even professional economists added their praise, although subsequent years of monopolist advances were to disillusion them. If railroad monopolists were at all displeased with this alleged defeat, they were given more than a crumb of comfort in the Elkins Act of 1903, which, written at their behest, compelled the roads to observe published rates usually prepared by the dominant railroad interests. Only a largely ineffective provision forbidding rebates to shippers removed the law from the category of pure class legislation.

Spectacular prosecutions were instituted in 1902 at Roosevelt's request against the Beef Trust of Chicago, beginning with Swift and Company and extending in 1905 to Armour and Company and other large packers, for various monopolist practices including price fixing, the black-listing of rebellious independents, and railroad rebates. Once more a specious victory was won when the Supreme Court enjoined these methods; but later the various packers achieved the control they desired through informal marketing agreements.

Within the Department of Commerce and Labor, newly established in 1903, Roosevelt persuaded a reluctant Congress to establish a Bureau of Corporations to investigate "the organization, conduct, and management of the business of any corporation, joint-stock company, or corporate combination." Witnesses might be subpoenaed and special studies of industrial transactions made, thereby furnishing data for future reforms. The Bureau's fact-finding services invigorated the Department of Justice and helped W. H. Moody, Roosevelt's energetic Attorney General from 1904 to 1906, in establishing an excellent record of prosecutions. While it is true that the consolidation movement continued to advance despite Roosevelt, the same can be said of even more sweeping business controls a generation later. Besides, the President declared that his object had not been to interfere with size but to punish "wrongdoing." His approach was moral, not economic.

The Anthracite Coal Strike of 1902

Shortly after taking office Roosevelt clashed with the powerful Coal Trust during the major strike of 1902 and carried off all honors. He felt little sympathy for the *coal operators*, whom he held responsible for the impoverishment of the miners, and he would have prosecuted them under the Sherman Act had he not been advised that this would be futile. Irregular employment, frequent tragic accidents due to lack of safety devices, feudal rule through company stores, company town officials, and even company undertakers, long hours, and low wages marked the lot of the average anthracite miner in eastern Pennsylvania.

In 1900 the operators had yielded reluctantly to the United Mine Workers after Mark Hanna had convinced the employers that the Republican party lay in jeopardy that election year. But the miners were dissatisfied with their limited gains of a 10 percent raise—the first since 1880. Therefore, in 1902, the UMW under John Mitchell struck again, 140,000 strong, demanding a 20 percent wage increase, an eight-hour day, the removal of current abuses in weighing coal, and union recognition. This time the operators refused to budge, despite union and White House pressure. Five months of this deadlock saw coal prices soar, schools close, and imminent disaster face the administration. Roosevelt angrily rejected the suggestion of the operators that he imitate Grover Cleveland's action in the Pullman strike by invoking the injunction and calling federal troops to break the strike. In New York the Democrats were even calling for national ownership of the mines. "The Socialistic feeling is growing apace," warned Lodge, although he asked only that Roosevelt "appear to be doing something."

With a keen sense of economic realities, the President secured the aid of J. P. Morgan, whose clients were heavy investors in the mines. At the same time he summoned both sides to a private conference in Washington, but found the employers unwilling to accept arbitration. Then came his dramatic threat to use the Army to run the mines as receivers, thus dispossessing the operators; this proved unnecessary, however, for Morgan's continued pressure on the coal barons now brought results. An arbitral commission on March 22,

1903, awarded a 10 percent wage increase with a three-year contract and eliminated certain abuses. But the United Mine Workers had to wait until 1916 before the operators granted the crucial demand for union recognition. Thus the election of 1904, like its predecessor of 1900, was safeguarded for the GOP.

The Election of 1904

If Roosevelt's trust-busting reputation had earned him a host of enemies among those in high places, the presidential election of 1904 failed most embarrassingly to disclose the fact. With a commendable Christian sense of turning the other cheek for further chastisement, big business contributed almost three-fourths of the \$2,195,000 collected by the Republican national chairman, George B. Cortelyou, Roosevelt's Secretary of Commerce and Labor. E. H. Harriman, his monopolist leadership in the Northern Securities railway combine evidently forgotten, was high in the private counsels of the President. He contributed \$50,000 personally and collected \$200,000 more from other sources for a Roosevelt victory. Far from feeling any malice over this affair, Morgan gave \$150,000 cash, and an associate added over \$165,000. Representatives of Standard Oil, the President's favorite whipping boy, were compelled to conceal their \$125,000 gift behind anonymity in fear of White House displeasure. Railway, steel, insurance, the Beef Trust, and other corporations added their mite to defeat the financially orthodox Democratic candidate, Alton B. Parker, chief justice of the New York State Court of Appeals. Despite Parker's rejection of inflationism, he was known to favor certain heretical Populist ideas and had been long associated with Bryanism.

Although the Republicans rested on the laurels of their hero, who was given the colorless Charles W. Fairbanks of Indiana as a running mate, their platform stressed the party's record on trust control, advocated a sound currency and a glorious foreign policy, and denounced the low-tariff ideals of their chief opponents. The Democrats, temporarily repudiating the twice-defeated Bryan and avoiding the insistent claims of the sensation-loving newspaper publisher William Randolph Hearst, chose Parker and the wealthy octogenarian, Henry G. Davis of West Virginia. Their platform cautiously dropped the usual demand for an income tax law as well as the inflationist free-silver proposal of 1896, but retained an antitrust plank which could

scarcely outshine the glory of the arch trust buster on the Republican side. Their plea for tariff revision was insufficient in itself to turn popular sentiment into victory. Joseph Pulitzer's New York *World* raised the single significant issue of the campaign when it denounced the heavy corporate contributions to Roosevelt—which could then only be surmised—and pointed out that Cortelyou, the Republican *national chairman*, as *Secretary of Commerce and Labor* was actually head of the Bureau of Corporations, an organization which so far had done nothing—so it was alleged—to lay the trusts low. Was business buying protection from Cortelyou? Judge Parker chose this as his cue and in a speech on “Cortelyouism” delivered shortly before election day charged that these corporate donations were a species of blackmail. Such charges Roosevelt hotly labeled as a “wicked falsehood.”

The electorate apparently was convinced, for the President won overwhelmingly by a popular majority of over 2,500,000 votes; Parker carried scarcely any section beyond the solid South. The electoral vote, 336 to 140, also reflected a far worse defeat for the Democrats than any Bryan had suffered. A protest vote against both parties was partially absorbed by the Socialist candidate, Eugene V. Debs, leader of the Pullman strike, who polled over 400,000 ballots, four times as many as in 1900. With a substantial Republican majority in both Houses of Congress, Roosevelt's elation was expressed in an election night declaration that under no circumstances would he be a “candidate for or accept another nomination.” He was to regret this statement deeply in 1912.

Muckraking and Reform

During his second administration Roosevelt returned to his campaign against monopolies, insisting unsuccessfully in 1907 that Congress provide a national corporation license law for the adequate control of large concerns. Temperamentally anything but thorough, the President carried only a few major cases to completion; the bulk of the Department of Justice prosecutions were against minor pools. In twenty-five criminal cases involving monopolies, eleven convictions were obtained, a record inferior to Taft's. Two major suits, against the Standard Oil Company and the American Tobacco Company, were begun but were left for the succeeding administration to complete—with the usual specious victory. However, vindication was

definitely won with the decision against the monopolistic American Sugar Refining Company, victor in the famous E. C. Knight case, when certain of its officials were convicted of tampering with the custom-house scales and the company had to pay over \$4,000,000 for using these crude methods of self-enrichment.

The administration could also take comfort for the ineffectual decision over the Beef Trust in 1905, for the Meat Inspection Act was passed the following year. Ground had been laid by the Socialist, Upton Sinclair, whose novel *The Jungle*, as already noted, had revealed the loathsome conditions prevailing among the great packing houses of Chicago, where competition had declined substantially. Despite departmental skepticism regarding Sinclair's revelations, Roosevelt chose to begin an inquiry at once. This resulted in the Neill-Reynolds report, which substantially upheld Sinclair's case. The packers fought back stubbornly through their Washington lobby, denying official charges that their food products were prepared in a filthy and disease-ridden environment. House indifference almost defeated the inspection bill, which was introduced by the progressive Senator, Albert J. Beveridge; but news that unfavorable foreign reaction to the Neill-Reynolds report might curtail American meat exports, together with administration pressure, compelled passage on July 1, 1906, of an act requiring federal inspection of domestic meats.

Even while utilizing Sinclair's exposé of packing-house conditions Roosevelt could not refrain from offering some crumbs of consolation to the packers themselves. In March, 1906, at a dinner given by the ultraconservative Speaker of the House, "Uncle Joe" Cannon, the President compared popular writers who assailed business with the "muckraker" in *Pilgrim's Progress*, the man whose eyes were ever fixed on the vile and debasing. Although Roosevelt later qualified his remarks to exclude useful exposures, he had again removed much of the stigma of wrongdoing as well as the sting of defeat from his late opponents. The name "muckraker" clung to the popular literature of dissent, but the relatively high plane of these writings deprived the term of opprobrium in the public mind.

The general outcry over *The Jungle* hastened the passage of another pioneer act calling for government intervention in behalf of the consumer. This was the Pure Food and Drug Act of 1906, pre-

pared by Dr. Harvey W. Wiley, chief chemist of the Department of Agriculture. Roosevelt had recommended legislation of this type in his message in December, 1905, but it required Upton Sinclair's book and the Neill-Reynolds report to obtain congressional action. The act emphasized proper branding, insisted that certain harmful ingredients be listed on the label, and provided additional penalties for adulteration of contents, especially the use of decomposed ingredients. Unfortunately, enforcement of this legislation was hampered by inadequate funds, and the unscrupulous manufacturer could evade the label provision by using technical language and small print. Not until 1938 did the original hopes of its sponsors come close to realization.

The Panic of 1907

The biographer Henry F. Pringle found Roosevelt's ignorance of economics naïvely displayed during the panic of 1907. At Harvard Roosevelt had been trained under the gold-standard enthusiast, J. Laurence Laughlin, and he admittedly retained only the stock arguments with which to combat free-silver heretics. Although publicly he expressed his belief that eastern financiers were responsible for the panics of 1903 and 1907, he turned to them instinctively whenever business squalls threatened. When the stock crash in October, 1907, began to imperil the huge Knickerbocker Trust Company of New York, Morgan was hastily called upon to stop the impending ruin of many financial institutions, and Secretary of the Treasury Cortelyou quickly agreed to deposit \$25,000,000 of government funds in the national banks. Roosevelt returned from a bear-hunting trip in Louisiana during a temporary market respite and he publicly thanked "those influential and splendid business men . . . who have acted with such wisdom and public spirit." But the Knickerbocker went down, accompanied by several large trust companies and banks. Bank runs, currency shortages, sharp business retrenchments, and unemployment all blended into a disturbing situation which Roosevelt stubbornly attributed to international causes.

Certain financiers associated with Morgan now approached the President with a patriotic offer. Elbert H. Gary and Henry C. Frick of the United States Steel Corporation sought his sanction for the outright purchase of the extensive properties of the Tennessee Coal

and Iron Company, whose stock was held by many New York brokerage firms, some of which faced extinction. Explaining that their sole motive was to save from bankruptcy a certain large brokerage house that held these securities, Gary and Frick asked immunity from prosecution under the Sherman Act. Roosevelt yielded, apparently badly frightened by the sweep of events and the dark picture presented by these men. Soon after, Gary admitted to congressional investigators that the purchase of the Tennessee properties, which included units in Alabama and Georgia, had been an extraordinarily good stroke of business for the United States Steel Corporation. Congressmen learned from the representatives of Moore and Schley, the brokerage firm concerned, that a loan of perhaps five or six million would have been sufficient without the sale of the securities to Gary. Thus President Roosevelt unwittingly assisted big business to evade the Sherman Antitrust Act in an instance where the public interest scarcely justified his intervention.

Strengthening the Interstate Commerce Act

On the advice of party stalwarts in Congress, Roosevelt avoided a fight over tariff revision, although he endorsed the reciprocal trade agreement ideal as expressed by McKinley on the eve of his assassination. Instead of the tariff, railroad rate legislation became the heart of Roosevelt's program for his second term. After the turn of the century, railroad abuses were revived on a large scale as new consolidations took place. The muckraker Ray Stannard Baker wrote a lengthy exposé of railroad monopolies, revealing their favoritism to certain shippers and their extortionate rates in areas where competition had disappeared. Rate discriminations sometimes took the indirect form of "smokeless rebates," whereby the railroad refunded a portion of the freight charges to a favored shipper, the transaction being concealed behind various ingenious bookkeeping and other devices. As governor of Wisconsin, La Follette had led a spectacular war against railroad monopolies. When he took his seat in the Senate, he contended that government regulation required rate determining on the basis of a physical valuation of the railroads. It was clear that the Interstate Commerce Commission, which had been established in 1887 to cope with the railroads, was seriously in need of implementation.

Despite certain weaknesses, the Hepburn Act of 1906 did much to curb railroad abuses. An enlarged Interstate Commerce Commission, serving a longer term at increased remuneration, was empowered to regulate Pullmans, express and pipe-line companies, and terminal facilities, thus closing the chief gaps in federal transportation control. More important, the Commission was given partial rate-fixing power; should its investigation of a formal complaint determine that prevailing rates were unreasonable, maximum rates could be imposed. Objections to its rates could be filed by the carrier and a temporary injunction holding the new rates in abeyance could be obtained. While this meant that the burden of bringing suit now fell upon the railroads instead of the Commission, prolonged litigation that would defeat the ends of justice could be profitable for the carriers. A commodity clause provided for the separation of transportation activities from actual business or manufacture, thus aiming to remove a fruitful source of concealed discriminatory provisions. Published rates could not be changed without thirty days' notice, and penalties for rebates were strengthened.

Conserving the Nation's Resources: Social Planning

Roosevelt was not content with striking at monopoly in industry, finance, and transportation; he also launched an active second front against private monopoly of power and water sites, mineral deposits, and lumber. This conservation movement became the most lasting monument to his presidency. He felt inspired by his love of the outdoors and his experiences upon a Dakota ranch. Easterners like himself grew sentimental about the disappearing buffalo and varied bird life, but the matter-of-fact Westerners asked only to be left alone in getting on with the work of exploiting the wealth of the land. The frontier habit of soil butchery had taken on the modern form of stripping entire forests recklessly and depleting the grazing and mineral lands. But this time only a relatively few corporations profited from the westward advance.

Gifford Pinchot, Roosevelt's good friend who became head of the Forest Service, had learned his scientific conservation principles in Germany, where revolutionary advances in soil chemistry and forestry had already fired western Europe's enthusiasm for the conservation of its ancient soil. Independently wealthy, Pinchot had the time

and money to propagandize during 1898-1910 for aggressive federal action in irrigating the arid West and in saving the national forests. With the aid of Roosevelt his Bureau of Forestry became a scientific efficient service with a trained staff that grew from five hundred to three thousand men. The national forests were expanded at the same time from 43,000,000 acres in 1901 to 194,000,000 in 1910. In addition, the President set aside over 85,000,000 acres of Alaskan mineral lands and other large tracts rich in untapped mineral wealth.

Various Presidents from Harrison to McKinley had adopted the policy of setting aside huge forest reserves in the public interest. But with Roosevelt these sporadic acts grew into crusading proportions. In his very first message to Congress he urged the primary importance of forest and irrigation problems for the country. As a matter of fact, the best part of his record as governor of New York had been his work as an ardent conservationist. Like his distant kinsman, Franklin D. Roosevelt, who later held the same office in New York State, he devoted himself to social planning rather than piecemeal projects, even exploring the realm of public power.

Transcontinental railroads, timber interests, wealthy cattlemen, and mining corporations fought Roosevelt with sleepless lobbies and newspaper campaigns. Oregon, Washington, and Wyoming elected Congressmen to stop the President's enthusiasm for absorbing millions of acres into the national forests. They waved the banner of states' rights against the alleged encroachment of centralization. Many of Roosevelt's achievements depended upon the use of executive authority, for Congress turned a deaf ear toward his chief ideas on conservation. Against the lobbyists, the President, ever a master of publicity, called upon his Bureau of Corporations to publicize the fact that some two hundred firms owned half of all privately owned timber and that ten major combines held 60 percent of the developed water power.

An indispensable ally for Roosevelt was Representative (later Senator) Francis G. Newlands, a Democrat of Nevada who sponsored the Reclamation Act of 1902. This Newlands Act set aside proceeds from western public lands to pay for numerous federal irrigation projects. Thus the settlers would contribute to a permanent irrigation fund. During 1902-1906, twenty-eight projects were started to irrigate more than three million acres by means of huge dams and thousands

of miles of modern canals. In 1911 Roosevelt was honored at the completion of one of these vast undertakings at Roosevelt Dam, Arizona, which was 284 feet high and formed a 25-mile lake reservoir.

In 1907 an Inland Waterways Commission was appointed to plan the best uses of rivers and other water sources. As a result of its recommendations Roosevelt called a National Conservation Conference at the White House on May 15, 1908. This brought together a unique gathering of all state governors, the leaders of private conservation societies, and numerous Supreme Court justices and Congressmen. Out of their deliberations grew the National Conservation Commission headed by Gifford Pinchot to supervise the first inventory of American natural resources. Another significant product was the founding of thirty-six state conservation commissions.

Roosevelt's Conservation Message of 1907, which had preceded the famous White House meeting, contained a notable philosophy of social planning. His striking assertions of purpose in the fields of reclamation and public power forecast the era of Franklin Roosevelt:

"The conservation of our natural resources and their proper use constitute the fundamental problem which underlies almost every other problem of our national life. . . . For the last few years, through several agencies, the government has been endeavoring to get our people to look ahead and to substitute a planned and orderly development of our resources in place of a haphazard striving for immediate profit. . . . The government dams should be used to produce hundreds of thousands of horse-power as an incident to improving navigation."

Before Roosevelt left office, he did not forget to protect the disappearing animal life. He sponsored the construction of fifty-one national bird reservations throughout the states and territories from Puerto Rico to Hawaii. The fast-dwindling buffalo herds were saved by transferring them to Yellowstone National Park and the new National Bison Range in Montana. Finally, Roosevelt insured the continuance of his policies by selecting a successor entirely sympathetic to the conservation cause, William Howard Taft, his former Secretary of War. While the legalist-minded Taft winced more than once at Roosevelt's audacious expansion of executive authority in furthering conservation, he accepted the principles of social planning. He too was to resist those interests which played up the issue of states'

rights against centralization. Victory lay on the side of national power.

Making Taft President

Casting about for a successor to take up the task of disciplining business, Roosevelt considered for a time the gilded Elihu Root. He had been Secretary of War under McKinley and Roosevelt during the difficult imperialist years up to 1904 and soon thereafter rejoined the Cabinet as a very international-minded Secretary of State. But Root was rejected as a candidate because of his background as a corporation lawyer, which would estrange the farm vote. The President thought over the candidacy of the meritorious Governor Charles Evans Hughes of New York, who had been a keen prosecutor of the state insurance frauds, but his reformer's temperament seemed "unhealthy"—whatever that meant—to Roosevelt. The choice then fell upon Judge William Howard Taft of Ohio.

This genial statesman had served well as Secretary of War following Root and then in various confidential roles both here and abroad. Taft loved the law and had behind him a long record as a state and federal judge. In fact his real ambition was to cap his career—as he finally did—by an appointment as Chief Justice of the Supreme Court, but he accepted the higher honor as a duty thrust upon him. Taft shared Roosevelt's progressivism, but he lapsed from the faith with increasing frequency. More than Roosevelt, he championed economy and went far as President to reform the extravagant unbusinesslike methods of bureaucrats. His ideas led to the adoption of a new department of the budget and an independent accounting system under President Harding. Tariffs, too, he asserted, should be handled through experts, not by selfish lobbies and logrolling.

On the other hand, Taft's labor philosophy antagonized the unions. While he was ready to endorse the right to strike, he flatly refused to give up the labor injunction and he urged the outlawry of the labor boycott and the closed shop. Here was a striking forecast of the Taft-Hartley law! In 1908, as Dr. George Mowry points out, he went so far as to advocate an income tax amendment; but within a year he was ready to settle for a light corporation tax instead and by 1911 he reversed himself by rejecting the income tax. Taft was clearly not Roosevelt in crusading temperament, and his heavy, slug-

gish body could scarcely keep up with the leftward tempo of the dashing Rough Rider.

In preconvention maneuvers, Roosevelt deftly garnered the formidable bloc of convention delegates among federal officeholders in the South and insured the nomination of his protégé upon the first ballot. Big business, fearful of Bryan radicalism, sent generous checks to Taft's headquarters. Roosevelt complained that Taft was oversensitive regarding the sources of campaign gifts. But neither of them paid any attention to Bryan's suggestion that the candidates issue a preëlection statement of campaign contributions. The Republican platform rested, as expected, upon the record of the outgoing administration. The platform makers gave reluctant endorsement to tariff revision, which Taft regarded as a victory. But when Samuel Gompers arrived to persuade the politicians to outlaw the labor injunction, he received no more than a vague statement of good will to labor.

The Democrats had taken such a severe defeat with Judge Parker in 1904 that they turned once again to the dynamic, even if twice-defeated, William Jennings Bryan. Once more, they reverted to the populistic platform of 1896 by demanding an income tax law, the abolition of the labor injunction, and severe penalties for monopoly-breeding practices. Bryan argued that the epidemic of bank failures during the panic of 1907 could have been averted by a federal law insuring bank deposits through the support of a tax upon member banks. Taft rejected this as a socialistic expedient that would strain the solvency of the entire banking system. He used the epithet "socialist" again when Bryan tentatively discussed public ownership of the railroads.

The campaign of 1908 was further enlivened when the Hearst papers revealed that Senator Joseph Foraker of Ohio, a former progressive Republican who had suddenly joined the reactionary Old Guard, was guilty of accepting retainers from the Standard Oil Company. Later, the jubilation of the Democrats was stilled by Hearst's further revelation of similar financial ties between the same company and the treasurer of the Democratic National Committee.

In the end, the revival of prosperity and the Roosevelt magic counted most. Taft won 321 electoral votes to Bryan's 162 with strong support coming from the industrial Northeast. However, the

Democrats piled up majorities in the formerly Republican states of Colorado, Nebraska, and Nevada and cut Taft's margin of popular votes by half of the lead held by Roosevelt over Parker in 1904. Besides, Democratic governors captured at least five states, including Taft's own Ohio. There was significance also in the fact that many of the Republican victors were actually populist insurgents ready to break with Taft if he betrayed the true faith. Bryan's party apparently kept most of the urban reform vote, for the Socialists under Eugene V. Debs polled little more than the 400,000 votes that they had received in 1904. The victory of a progressive Democrat seemed forecast for 1912.

The Defeat of Tariff Revision

Taft's single term was devoted to Roosevelt's policies on almost every front, but his persistent courting of the Old Guard at the expense of the growing progressive bloc helped to split his party by 1912. He annoyed Roosevelt at the outset by replacing three of the latter's Cabinet and by appointing at least five corporation lawyers to fill key posts. His selection of George W. Wickersham as Attorney General proved exceedingly fortunate and enabled him to establish a record for trust busting that ultimately surpassed Roosevelt's for both his terms. But Taft's ignorance of the ways of favorable publicity, so well understood by his predecessor, and the inevitable unfortunate comparison in the press of his own and Roosevelt's more vigorous and colorful personality gave an exaggerated impression of the differences in policy and execution between the two men.

Like Roosevelt, Taft repeatedly urged upon Congress the federal incorporation of interstate businesses for the purpose of supervising stock issues and detecting monopolist practices. He invited defeat by failing to use his patronage powers and party leadership sufficiently to exercise pressure upon the Republican conservative wing. Speaker "Uncle Joe" Cannon in the House and suave Senator Nelson W. Aldrich remained the bulwark of obstruction without any real challenge from the White House. Cannon was to be dethroned in 1910, but without Taft's assistance. Ultimately Congress accepted a watered-down measure of business control in the Payne-Aldrich tariff provision for an excise tax of 1 percent on the earnings of interstate corporations, which indirectly afforded some publicity regarding mo-

nopolist practices. This proved important from the standpoint of revenue but was far too mild as a curb on bigness.

Taft's major fight against the existing high tariff, the alleged "mother of trusts," revealed true courage as compared with Roosevelt's evasion of the issue. The general (and erroneous) belief that the existing Dingley Tariff Act of 1897 was solely responsible for the high cost of living might have brought the President genuine popularity had his course not been marked by ineptitude both in dealing with obstructionists in his party and in his relations with the press. Standpatters insisted that the tariff revision called for in the party platform did not mean tariff reduction, and further complexity arose from the Republican formula that tariff duties should "equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries." The difficulty of determining the cost of production seemed to sanction the simpler method of writing schedules according to the political strength of each economic interest that desired protection.

Although Sereeno E. Payne of New York, who had collaborated with Nelson Dingley of Maine in writing the high protective tariff bill of 1897, was the author of the bill introduced in the House in 1909, important reductions were made which even the Cannon-appointed Ways and Means Committee permitted to stand. But in the Senate, where the arch-protectionist Aldrich was in command, the Payne reductions began to be whittled away. Resistance came not only from the Democratic minority but from the Republican insurgents as well, particularly La Follette of Wisconsin, Albert J. Beveridge of Indiana, and Albert B. Cummins and J. P. Dolliver of Iowa. Unfortunately Taft had too deep a personal dislike for the insurgents and too great a respect for "regularity" to combat the extreme protectionists. He did, however, succeed in securing several important reductions, notably on hides, but only after some last-minute threats to withhold patronage from certain protectionist Congressmen.

Altogether, the Payne-Aldrich Act of 1909 brought little essential change in the system of protection. Besides hides, some reductions were made on lumber, iron ore, coal, and leather goods. As Henry F. Pringle has shown, the famous—or infamous—Schedule K, which the newspaper cartoonists portrayed as a sinister conspiracy of wool grow-

ers and wool manufacturers, actually contained few changes in comparison with the Dingley tariff. Enterprising clothing merchants who announced that their increased prices were caused by the tariff were merely capitalizing on newspaper misconstruction of Schedule K. Certain advantages were won by the Havemeyer sugar refining interests—the Sugar Trust—for, having recently acquired control of the domestic beet-sugar industry, they now obtained decisive tariff protection for it. The protectionists had inserted a flexible clause that permitted the President, upon evidence of European discrimination against American products, to raise duties through an increased valuation of goods up to 25 percent, but Taft nullified these hopes by denying that any European discrimination existed. Scientific tariff making received a short-lived concession in the creation of a tariff board, but the Democrats later abolished it.

In a speech-making tour intended to silence his critics, Taft argued that the Payne-Aldrich Act had effected decreases on goods valued at \$5 billion, and increases that affected only \$600 million worth of goods, half of them luxury products. This argument unfortunately ignored the fact that many of these alleged decreases affected products in which there was little European competition. Warming up to his subject, the President then made his greatest blunder of all, at Winona, Minnesota, in August, 1909. After admitting certain defects in the tariff but insisting that the high cost of living was the result of world factors, he concluded: "On the whole, however, I am bound to say that I think the Payne bill is the best bill that the Republican party ever passed." This statement aroused newspaper publishers, already smarting under the new tariff's protective duties on newsprint, and left Taft startled by the popular storm he had aroused. The subsequent congressional campaign proved how seriously the President had miscalculated in publicly endorsing the Payne-Aldrich Act.

Railroad and Banking Reforms

One of Taft's most solid achievements in antimonopoly legislation was the Mann-Elkins Act of 1910 strengthening federal supervision of the railroads. Roosevelt's Hepburn Act of 1906 had encouraged protracted litigation and even rate increases by permitting the railroads to apply for a court injunction suspending new maximum rates

imposed by the Interstate Commerce Commission. The carriers could retain the former rates until the question of reasonableness had been determined, thus enriching themselves during the period of court action. This benefit was sharply curtailed under the Mann-Elkins Act, for it empowered the Commission to suspend any carrier-imposed new rate or regulation for a maximum of ten months without waiting for formal complaints from shippers, and to investigate the reasonableness of the changes demanded. Irresponsible railroads were at least partly deterred from imposing unreasonable rates by the fear that the Commission might suspend the schedules and leave them the expensive alternative of court appeal without the former advantage of operating temporarily under the old rates.

Another benefit of the new law was the removal of a dangerous ambiguity in the Interstate Commerce Act of 1887, which provided that no greater charge should be made for the transportation of passengers or goods for a shorter distance over the same line than for a longer one "under substantially similar circumstances and conditions." This latter phrase, as interpreted by a lenient court, often nullified the entire provision against discrimination in favor of powerful shippers. It was dropped in the new act. Railroads desiring to charge more for a short haul than a long one were required to obtain the consent of the Commission. To expedite cases on the crowded dockets and to avoid the unspecialized purview of the regular courts, a Commerce Court was created; its decisions could be appealed only to the Supreme Court. Unfortunately the Commerce Court, after a period of conflict with the Commission and a scandal involving one of its justices, had to be abandoned several years later. Finally, the act of 1910 extended the Commission's authority to cover the new fields of telephone, telegraph, and wireless regulation. Thereafter the Interstate Commerce Commission became one of the most powerful administrative agencies, an indication of the path of future developments in the evolution of government control over business.

In 1910 Taft sought to obtain certain salutary changes in the banking system that had been suggested by the experiences of the panic of 1907. The inflexible nature of American currency had long been evident in the conflict between western debtors, who demanded inflation, and eastern creditors, who insisted on sound money as the only alternative to dishonor. Not only did the monetary system fail to cor-

respond with the requirements of business expansion and contraction, but the panic of 1907 led to an absolute breakdown in the supply of currency. The Roosevelt administration had secured the passage of the Aldrich-Vreeland Act of 1908, which created additional currency that was to be retired ultimately by taxation, but this was intended as a palliative for the emergency. The same act established a monetary commission to study the subject. By Taft's administration, the leadership of the commission had been given to Aldrich, who favored centralized banking after the English model, with moderate government control.

Opposition came from the American Bankers' Association, which insisted on preserving the individuality of the nation's banks. Although the quarrel between government control and banker control prevented immediate legislation, the commission's recommendations in 1912 furnished the nucleus of Wilson's Federal Reserve System. One of its chief suggestions was the establishment of a Reserve Association of America which would have the function of creating a flexible currency based on rediscounted commercial paper of the member banks.

Both Roosevelt and Taft endorsed the establishment of a postal savings system to encourage thrift and prevent currency hoarding on the part of small investors. Many European immigrants, accustomed to the security of such systems already functioning in their native countries, had no high opinion of the soundness of American banks. Taft estimated that in 1908 these newcomers sent \$90 million to postal banks in their homeland. Moreover, he feared that the western states would themselves experiment in guaranteeing bank deposits, with dangerous possibilities of chaos; and there was Bryan's radical proposal for a federal guarantee of small savings accounts. Taft's plan offered a postal savings system which would both give the small depositor security and, by limiting the interest rate, avoid competition with private banking; furthermore, the funds would be available to bankers for local investment. Nevertheless, the bankers denounced the plan as socialistic, warned that the average post office was easy prey for bank thieves, and said that the system might encourage the wholesale withdrawal of bank deposits during critical periods of financial stringency. But Taft obtained the passage of the bill. Three Cabinet members formed a board of trustees to administer the sys-

tem, and deposits up to \$500 were accepted; the interest rate was 2 percent. The postal savings system enjoyed moderate growth until 1931, but the bank crash of 1933 brought such a sharp increase in postal deposits at the expense of the private banks as to justify some of the fears expressed by bankers in 1910.

The Decline of Trust Busting: "Rule of Reason"

In Roosevelt's favorite field of trust busting, Taft and Attorney General Wickersham achieved a vigorous record. From 1890, the year the Sherman Act was passed, up to 1909, sixty-two antitrust suits had been introduced, but Taft's one term accounted for seventy-eight court actions. Most sensational were the government victories of 1911 in the Standard Oil and American Tobacco cases, originally instituted by the Roosevelt administration. By that time Standard Oil had secured control of over 90 percent of the refining industry through its New Jersey holding company. Special Prosecutor Frank B. Kellogg, later Coolidge's Secretary of State, pushed the government's demand for dissolution to a successful close in the federal courts. The Standard Oil Company of New Jersey was ordered to divest itself of all its subsidiaries within thirty days. This decision, originally handed down by a circuit court in 1909, was upheld two years later in the Supreme Court, but no one, critics noted, went to jail. Thereafter the oil combine turned to more subtle methods of achieving control through Rockefeller's personal ownership of stock and a community of interest among the various Standard units.

A similar resounding but hollow victory was won over the American Tobacco Company of New Jersey. This combination owed its inception in 1890 to the efforts of the famous manufacturer, James B. Duke of North Carolina. Its methods of eliminating competition were regarded as being in many respects more reprehensible than those of Standard Oil. From the beginning it had been an extraordinarily successful combine, paying huge dividends and capitalizing on the fact that it controlled the best patents for the machinery needed by the industry. Ruinous price wars disposed of recalcitrant competitors, who were compelled to promise never to reënter the field. To cope with the rising resistance of the independent retail distributors the combine sponsored the United Cigar Stores, a chain of retail stores in the leading cities. So ambitious were the promoters that in

1901 they entered the British tobacco field in the same monopolist spirit. Next they went into Germany. Finally, in agreement with the English-owned Imperial Tobacco Company, they divided the entire world into three parts for exploitation: Britain for the English company, the United States for the American Tobacco Company, and the remainder of the globe for a company owned jointly by the two groups.

The Supreme Court formally dissolved the American Tobacco Company after severely denouncing its ruthless methods. But no fines were imposed, and the "dissolved" company was allowed to follow the plan of reorganization which it had presented to the courts. Louis Brandeis, counsel in one of the dissolution proceedings, observed caustically at the time: "A combination heretofore illegal has been legalized. The value of that legalization is shown by the high market value of the common stock of the American Tobacco Company." To him the moral was: "What man has illegally joined together, let no court put asunder."

Admittedly the two decisions, highly praised by Taft as a government victory, strengthened the application of the Sherman Act to consolidations in manufacturing, but the legal doctrine of the "rule of reason" which accompanied it did infinite damage by introducing new uncertainty into antitrust cases. Chief Justice Edward D. White, who had recently been elevated to the position by Taft, delivered the majority opinion in both cases in language that revealed the most naïve assumptions as to the automatic self-correcting character of pure laissez-faire economics. Although he condemned the two holding companies as violators of the Sherman Act, he based his argument on the defendants' intent to achieve monopoly rather than on their obvious practices to destroy competition. The "standard of reason," he said, would determine for the Court whether a businessman intended primarily to injure the public by restraint of trade, or whether such restraint was merely incidental to the perfectly legal objective of gain, and hence permissible. Regarding unintentional restraint of trade, White was confident that "the operation of the centrifugal and centripetal forces resulting from the right to freely contract was the means by which monopoly would be inevitably prevented if no extraneous or sovereign power imposed it and no rights

to make unlawful contracts having a monopolistic tendency were permitted."

A vigorous dissenting opinion castigating the "rule of reason" came from Justice Harlan, who asserted that the Supreme Court had, "by mere interpretation, modified the act of congress, and deprived it of practical value as a defensive measure against the evils to be remedied." Liberals joined him in denouncing the doctrine of reason which left the courts to decide which were the "good trusts." The President, however, strongly defended the doctrine and in a special message to Congress in December, 1911, argued that White's common-law distinctions, had they been observed prior to this time, would not have affected the outcome of any cases which had come under the Sherman Act.

Subsequent federal suits soon demonstrated the individualist trend of the courts in favor of combinations whenever, in the judgment of the high court, the company had certain commendatory aspects such as the offering of economies in production or the creating of useful patents. This was the case with the United Shoe Machinery Company, which used its control over patents on basic shoe machinery leased to manufacturers to compel them to accept a complete line of products as a condition to using any. Its predominant position in the manufacture of the nation's shoe machinery and its avowed purpose of controlling this field did not make for a violation of the Sherman Act in the mind of the Court. Instead the judges extolled the excellence of the machines made by the company as an offsetting factor.

Taft's prosecution of the United States Steel Corporation in 1911 stirred up a political hornet's nest and raised still further the question as to whether trust busting served any purpose. The Attorney General charged among other things that this corporation had effected a monopoly in 1907 by purchasing the extensive southern properties of the Tennessee Coal and Iron Company. Roosevelt denounced this arraignment as an insulting thrust at him for naïveté in promising the steel executives immunity from prosecution under the Sherman Act should they go ahead and absorb the Tennessee concern. He went on to condemn publicly the entire trust-busting program of Taft as antiquated and hopeless as a means of reviving competition. What was needed now, he argued, was a thorough fed-

eral system of regulation of monopolistic practices, even including, if necessary, the fixing of prices upon goods manufactured by monopolies. Significantly, while liberals applauded these sentiments, big business too liked the idea of substituting a program of stricter regulation for a drastic policy of dismembering the great consolidations.

The Ballinger Controversy

In conservation, as in almost everything else, Taft sincerely believed that he was carrying out Roosevelt's policies, albeit with far more respect for the Constitution. Westerners, led by Senator William E. Borah of Idaho, were alarmed by Roosevelt's withdrawal of vast acreages from private use. In 1907 they had secured a law forbidding the President to set aside more public lands in the Northwest. Before signing the measure, the wily Roosevelt had nullified its effect by ordering the immediate withdrawal of 16,000,000 acres of forest in that area.

Taft felt that the West had some valid grievances and he made concessions to the demand for more "states' rights" in the handling of the nation's resources. He replaced Secretary of the Interior James R. Garfield, who ranked with Gifford Pinchot as a conservationist adviser to Roosevelt, with a conservative Westerner, Richard A. Ballinger of Seattle. The new Secretary began by reopening large tracts of recently withdrawn lands, thus angering the progressives, and turned to Congress for specific conservation authority rather than depending upon implied executive power in the Roosevelt manner. A far better appointee was Walter Fisher of Chicago, an exceptionally able, progressive leader, who succeeded Ballinger in 1911 and carried out the most significant conservationist measures of the Taft era.

That year Congress passed the important Weeks Act, providing for federal coöperation with the states in preventing erosion and floods and in furthering navigation. The President was empowered to buy forest lands for these purposes. This law, according to Professor Roy Robbins, later furnished a basis for F. D. Roosevelt's soil conservation and water-power programs. Taft concentrated upon the withdrawal of valuable mineral and oil lands and water-power sites from entry. In 1912 he created the Naval Oil Reserves in California.

During 1909-1910 the Taft administration was rudely shaken

by the Glavis-Pinchot-Ballinger controversy, whose reverberations helped to estrange Roosevelt and Taft. A youthful government field agent, Louis R. Glavis, published in *Collier's Weekly* a series of articles charging Ballinger with conspiracy to aid the wealthy Guggenheim interests in acquiring control of Alaska's coal deposits. The prevalent fear that the nation's coal resources were being exhausted or given away fraudulently to the "interests" made Glavis' charges sensational indeed, despite the fact that little coal had ever come from Alaska. The immediate issue concerned Ballinger's personal relations with Clarence Cunningham of Idaho, whose controversial claims to over five thousand acres of Alaskan land were supported by the Department of the Interior. Ballinger admitted performing a routine legal service for Cunningham for a fee of \$250 prior to taking office as Secretary of the Interior, but suspicious progressives leaned toward Glavis' belief that a much more intimate relation existed between the two men. Gifford Pinchot, conservationist leader, immediately plunged into the controversy despite the President's appeal for neutrality. An open letter supporting Glavis which Pinchot addressed to Senator Dolliver of Iowa compelled Taft to dismiss Pinchot in January, 1910. Glavis had already been discharged. Ballinger demanded a congressional investigation and was officially exonerated.

Most embarrassing for Taft's own reputation was the sensational discovery by Louis Brandeis, acting for Glavis and Pinchot, that the President and Wickersham had antedated by two months the latter's report dated September 11, 1909, on which Taft had justified his dismissal of Glavis. The President publicly explained that he had acted on the oral testimony available on that date; the later Wickersham report, containing the same material, was therefore antedated. It was difficult, however, to destroy the popular impression that Taft had first decided to drop Glavis and had found his reasons afterward. In the ensuing controversy, Pinchot appealed his case to Roosevelt, who was returning from an African hunting trip, and sought to convince the touchy ex-President that Taft had repudiated his predecessor as well as the conservation cause itself. Taft's tragedy in 1912 was now imminent.

The picturesque crusades of Roosevelt and Taft against bigness did not alter the fact that giant consolidations had actually expanded

by 1912. Both men, it is true, lent vigor to the Sherman and Interstate Commerce acts, but their victories had usually had a hollow ring, except for some revival of competition in oil, tobacco, and certain other fields. The Supreme Court had unsettled everything with its subjective "rule of reason," which held that mere size did not violate the antimonopoly laws; a conspiratorial intent to restrain trade must be proved; and finally, a careful distinction had to be made between good and bad trusts. By the end of this era, Roosevelt himself had concluded that the solution lay in strong federal regulation of monopolies rather than in dismembering such combines. Both Presidents added liberals to the Supreme Court: T. R. chose Oliver Wendell Holmes and Taft appointed Charles Evans Hughes; but these men remained in the minority.

Bigness and the decline of competition insured the rise of big government. Every major reform meant a corresponding enlargement of government activities. To protect consumers against adulterated foods and drugs required not only legislation but growing enforcement staffs. To save the nation's precious forests, minerals, and water sources, there had to be new agencies and many more bureaucrats in the old departments.

Mid-nineteenth-century liberalism had rested upon the belief held by a society of shopkeepers and farmers that the self-interest of intelligent individuals would automatically correct abuses in the economy. The new liberalism, profoundly affected by the metropolis and technology, believed that freedom was an empty word for isolated workers pitted against large combinations in industry and finance. Out of this situation there grew in the ensuing decades strong labor unions, innumerable welfare agencies, some measures of social security, and much more frequent intervention by a powerful government to maintain an economic balance favorable to democratic control. Economic individualists who had thrived under the Old Liberalism did not surrender easily to the New. A cultural lag insured a state of confusion as to the meaning of liberalism.

Chapter 4

ECHOES OF IMPERIALISM: 1900-1913

Sea Power and American Foreign Policy

While Roosevelt and Taft hacked away at the dragon of monopoly, they had to divert their efforts at times to the international struggle for power and security that is the essence of foreign affairs. Three basic strategic policies had been inherited from the nineteenth century: First, the Monroe Doctrine of 1823 called for hemisphere defense against European invasion or colonization. The doctrine was born of the hope that Britain's navy would stand as a bulwark between any dominant European land power and this hemisphere. British self-interest, it was believed, would achieve this result. When the doctrine appeared to be losing force, President Grover Cleveland had suddenly renovated it in the Venezuela boundary dispute with England in 1895. American arms now stood ready to enforce the Monroe Doctrine against any nation, even Great Britain. By 1900, both political parties were convinced that the doctrine should be further reinforced by an Isthmian canal to unite the hemisphere and insure communications and defenses.

Secondly, the recent open-door policy, then still in the process of being defined, meant that this country, which had long taken the initiative in opening China and Japan to Western trade, now demanded the territorial integrity of China and an equality of commercial opportunity in that disintegrating land. Finally, the traditional isolationist policy toward Europe, which Washington and Jefferson

had considered imperative in the infancy of the republic, had to be reconsidered in terms of our twentieth-century strength. Swift modern warships and the telegraph had narrowed the oceans considerably.

No President could ignore the rumblings of war that broke out intermittently from the bitter rivalry of European states for the markets of Africa, the Middle East, or China. Big-navy men whipped up aggressive nationalism and armament races that swept aside the liberal ideals of free markets, equal access to raw materials, and the sovereignty of weaker states. The Industrial Revolution had provided a torrent of goods that sought outlets all over the world and made industrialists anxious for raw materials from distant colonies.

Echoes of European and Japanese imperialism awakened a responsive chord in the United States. After the War with Spain, expansionists were stimulated by a real appetite for colonies. Every school-boy could recite enthusiastically Rudyard Kipling's appeals in verse for the Anglo-Saxon to "take up the white man's burden" of ruling lesser breeds without the law. Certain aggressive missionaries like Josiah Strong of Ohio wrote books and essays urging that Anglo-Saxons accept the Christian duty of converting and ruling the heathen everywhere. Social Darwinism furnished a flashy argument for imperialists like Senator Albert J. Beveridge of Indiana, who thought of international politics as a struggle for existence in which the fittest races would survive and rule the rest. However, most of the scholarly evolutionists like William James and William Graham Sumner believed that Darwinism favored the emergence of a peaceful international society. There was also a distinct residue of sentiment dating back to the War with Mexico and even much earlier that responded to the mystical slogan of a Manifest Destiny that the Creator had set aside for the United States to rule a continent.

Most influential of the philosophers of imperialism was Captain Alfred Thayer Mahan, renowned apostle of sea power and a persistent advocate of a two-ocean navy equipped with numerous naval bases. His favorite theme was expressed in the title of several popular works such as *The Influence of Sea Power upon History* (2 vols., 1892), based on his lectures at the Newport War College. His doctrines of naval strategy stimulated propaganda for larger navies here and abroad. Among his ardent disciples were Theodore Roosevelt,

Henry Cabot Lodge, and John Hay, Secretary of State under McKinley and Roosevelt.

In 1893 Mahan had written articles demanding a reversal of the anti-imperialist policy of Grover Cleveland, who had blocked the annexation of Hawaii. The strategist argued that the annexation of that Pacific island meant "an impregnable bulwark against invasion" if coupled with an Isthmian canal and the control of the Caribbean area. His later articles called for the annexation of the Philippines as an outpost to the Far East and for an open-door policy in China that would prevent other nations from excluding the United States from Oriental trade. Assistant Secretary of the Navy Theodore Roosevelt had written him in 1897, "I suppose I need not tell you as regards Hawaii, I take your views absolutely as indeed I do on foreign policy generally."

Mahan professed himself a stern realist who believed that self-interest was the sole basis for statecraft. He fought compulsory arbitration and disarmament and set himself against the enthusiastic peace movement that had been encouraged since the Civil War by the triumphs of arbitration. In 1872 Britain and the United States had submitted to arbitration their serious quarrel over England's building of warships for the Confederacy. Thereafter international arbitration had been used more and more to settle territorial disputes. But Mahan denounced arbitration as a dangerous compromise of vital national interests and morality as well.

The views of Mahan dominated the American position at the Hague Conference of 1899, called by the Czar in a gesture for disarmament and peace that the naval strategist appraised correctly as insincere. "When Mahan speaks," observed a fellow American delegate, "the millennium fades and this stern, severe, actual world appears." Mahan fought any proposals that Europe could use to meddle in American affairs and emphatically reaffirmed the traditional isolationism of this country regarding Europe. There was no compulsive arbitral force in the final decisions of the First Hague Conference, which agreed on a Permanent Court of Arbitration. This was nothing more than a panel of judges chosen from member states for particular cases in which the contending parties accepted arbitration. Some progress was made in the codification of international law, the definition of neutral rights, and the use of new weapons.

The War with Spain and the New Imperialism

The drift toward empire aroused the deep anger of the anti-imperialists. In 1900 Bryan and Altgeld made anti-imperialism the cardinal point in the Democratic platform. Certain middle western progressives like Robert La Follette showed an isolationist distrust of foreign policy; so did Debs and the Socialists. To them, the profit motive of steel kings, munition makers, and "international bankers" explained the existence of imperialism and war. Their gross overemphasis upon sinister warmakers even captured Congress during the 1890's. An old-fashioned liberal like Grover Cleveland, who feared the big state, had publicly rebuked American sugar expansionists in 1893 by withholding the treaty pending in the Senate for the annexation of Hawaii.

Yet the anti-imperialists had in most instances favored the War with Spain, for that had begun largely as a middle western crusade against Spanish atrocities in Cuba. Although the jingoist Hearst newspaper, the *New York Journal*, by its provocative tone and sensational falsifications, sharply ran up its circulation through leading the nation to war, Altgeld of Illinois in all sincerity wrote editorials for Hearst also demanding military intervention in Cuba. "How do you like the *Journal's* War?" gloated the Hearst paper from its masthead. Many who had followed Bryan in 1896 as the knight of the disinherited clamored for justice for the suffering Cubans, although the cynical pointed out that the Cuban patriots were scarcely less rough toward the Spaniards. "We extend our sympathy to the people of Cuba in their heroic struggle for liberty and independence," declared the Democratic platform of 1896.

Businessmen and bankers had condemned the war as sheer knight-errantry. American investors in Cuba with holdings of some \$50 million preferred the comparatively strong arm of Spain to the unpredictable and possibly confiscatory tendencies of a native Cuban regime. McKinley, Mark Hanna, and Wall Street—all had opposed war until overwhelmed by popular belligerence. After the war, it is true, business sentiment veered toward economic expansion in the newly acquired lands. Their hope of annexation was thwarted by the anti-imperialists in Congress, who had proved strong enough to secure the Teller Amendment providing for a free and sovereign Cuba.

This self-denying ordinance passed, together with the war resolution of April 19, 1898.

The "short and glorious war" brought this country the Philippines, Puerto Rico, and Guam, together with the temporary military administration and protectorate over Cuba. Overnight, national attitudes crystallized on imperialism. Although the anti-imperialists demanded complete withdrawal from the Philippines and pushed the issue into the campaign of 1900, McKinley agreed with the expansionists, who regarded the retention of these islands, temporarily at least, as a sacred trust for civilization and of immediate economic value. American business leaders echoed Mark Hanna's argument that the Philippines would serve as a new geographic approach to large-scale trade with the Orient. Havemeyer's Sugar Trust, previously indifferent or hostile to the war, argued that the annexation of Cuba would advance American economic penetration into the vital Caribbean area. Mahan saw his program for the Far East, the Caribbean, and Europe realized in full. His testimony before Congress had paved the way for the joint resolution of July 7, 1898, annexing Hawaii. The strategic Philippines, Guam, and Puerto Rico had now been added; and an Isthmian canal was well on its way, diplomatically at least. The United States had become a global power with serious responsibilities for the future.

A Maturing Industrial Society and Foreign Policy

For centuries the Western Hemisphere had been the chief frontier of Europe. By 1900 it seemed that the United States not only had reached her continental limits but was herself deeply involved as a contestant in the race for unexploited frontiers, especially in Latin America, Canada, and the Far East. American businessmen wished a place in the sun as the nation moved rapidly to a commanding status in the markets of the world. The United States already led all other countries in the volume of its industrial output, in its phenomenal railroad mileage, and in mounting agricultural production.

The economy had come of age, for by 1914 the value of exported manufactured goods had finally caught up with that of the traditionally dominant agricultural surplus which was sent abroad. After 1900 American factories hastened to open hundreds of branches all over the world. Their value more than quadrupled before the First

World War. The United States Steel Corporation established no less than 268 agencies in some sixty nations. Another giant, the International Harvester Company, opened 53 foreign branches by 1912. Within a decade its foreign business had soared from 18 to 44.3 per cent. Foreign tariffs against American goods led our industrialists to set up foreign branches to escape prohibitive duties; likewise American tariffs against essential raw products also drove industrialists to extend their operations abroad.

Fundamentally, America was shifting from a debtor to a creditor nation. The colonial stage of dependence upon foreign capital was over. Although the investments of foreigners here doubled during 1897-1914, American investments abroad multiplied five times. World War I sharply accentuated this trend toward a creditor's status as hard-pressed Europeans frantically sought to liquidate their American holdings. Furthermore, European interests were far from overwhelming. The \$7 billion of foreign investments in the United States in 1914 represented less than 4 per cent of our total national wealth, which was then \$212 billion; and this proportion was steadily declining. Although investments abroad increased, the vast potentialities of the domestic market made imperialist adventures an expensive luxury and weakened the economic pressures for colonial empire that seemed irresistible to less-favored countries. In a nation with continental dimensions, blessed in this age of steel with the vital resources of coal, iron, copper, and oil, as well as various agricultural products, American business and finance continued as in the preceding century to find rich opportunities largely in the United States herself.

American investments of all types in Europe amounted to almost \$692 million by 1914, a fivefold increase since 1897. Our Canadian holdings, especially in the pulp and paper industries, had risen at a similar ratio and aggregated \$867 million. Mexico's extraordinary diplomatic importance was forecast by a fourfold gain in this period which brought the total to \$853 million in 1914; these investments were largely in oil, minerals, and factories. Among the men encouraged by the favorable concessions given by President Porfirio Díaz was Edward L. Doheny, who later figured in the Teapot Dome scandal. In 1900 he bought 280,000 acres of oil lands at slightly above a

dollar an acre; his holdings, which constituted the largest oil wells in Mexico, were valued at \$58 million in 1914. His friend, Senator Albert B. Fall, led a movement for military intervention in behalf of Mexican investments like Doheny's, as well as the safety of American lives. In the vital Caribbean zone of Central America, Cuba, and the West Indies, which had both strategic and economic importance, investments grew six and a half times over their total in 1897 and involved almost \$460 million. In a sensational advance, the South American interests of American investors increased ninefold during 1897-1914 to a total of \$365.7 million. Most of the \$246 million invested in Asia in 1914 represented loans made to Japan, then favorably regarded in this country, for her war with Russia in 1904-1905.

From 1874 on, the repayment of past loans and the substantial interest charges paid made it possible for Europeans to finance more purchases of American goods, thus stimulating our export industries and insuring a favorable balance of trade. In the opening years of the century exports averaged \$1.33 billion annually and even exceeded the two-billion mark by 1914. Most of this trade and investment actually involved well-developed nations and hence should not have stimulated political imperialism. But there was no denying that sufficient penetration existed into the so-called backward countries to inspire diplomatic and perhaps military intervention there.

The Philippine Experiment

In 1899 President McKinley gave a group of visiting Methodists the idea that the decision to annex the Philippines had been improvised on the spur of the moment. "The truth is," he told them, "I didn't want the Philippines; and when they came to us, as a gift from the gods, I did not know what to do with them." In this uncertain spirit American administrators from his day to that of F. D. Roosevelt's went ahead with a program of gradually preparing the Filipinos for self-rule and, finally, complete independence by 1946. Political democracy and physical stability rather than basic social changes were the goals, and the bogey of exploitative imperialism was never realized.

The American liberating army, which knew little about Filipinos, was shocked to stumble into a bitter agrarian revolution that Emilio

Aguinaldo had been fighting since 1896. His men not only had battled Spanish troops but also were determined to wipe out land tenantry, rural poverty, and the political and economic power of the religious orders. Scores of priests had been killed and 420,000 acres of the so-called Friar Lands had been confiscated. The insurgents raised the banner of revolt once more in 1899-1902, this time against the United States; they felt convinced that they had been betrayed by promises of independence into merely exchanging an old master for a new one.

The Philippine insurrection degenerated into savage guerrilla warfare in which 130,000 American soldiers had to struggle through jungles and mountain fastnesses against a hardy foe familiar with the terrain and ready to use the same savage tactics that had goaded Spaniards to reprisals. Bryan and the anti-imperialists widely publicized reports of anti-Filipino atrocities (some of them quite true), even of concentration camps. Somewhat belatedly, Secretary of War Root took strong measures to stamp out the use of torture by Americans regardless of the provocation. The capture of Aguinaldo by General Frederick Funston through a stratagem eliminated a wily leader. On July 4, 1902, President Roosevelt formally announced the restoration of peace and issued a general pardon to the revolutionists.

To appease the landless Filipino insurgents as well as Catholic sentiment the new civil governor, William Howard Taft, visited the Vatican to negotiate a land settlement. He guaranteed a payment of \$7,543,000 for the confiscated Friar Lands and arranged for the eventual collection of this sum from the sale of the church lands to the natives. Filipino hostility toward the Spanish monks was quieted after Rome replaced the politically-minded clergy with American priests. Although basic land problems remained to plague Filipinos even a half-century later, the American administrators hoped that political democracy would prepare the people to cope with such economic ills.

In those years Roosevelt and Taft were sufficiently absorbed in new tasks that arose every day in dealing with nine million inhabitants, who were split by differences of tribe, language, religion, and level of culture—not to mention economic conflicts. Christians, Mohammedan Moros, and Igorot head-hunters were scattered over the

thousand inhabited islands in the vast seven-thousand-isle archipelago. "There is no Philippine People," asserted the harassed Secretary Root.

Despite these difficulties Governor Taft and, to a lesser extent, his successors showed an enlightened attitude in coping with the problems of native agriculture, education, unemployment, sanitation, and local administration. In 1907 Washington permitted the Filipinos to elect their own national assembly, but the legislative powers of a senate were entrusted to the American-dominated Philippine Commission. By 1913 the Commission had admitted four Filipinos to share its authority with five American members. A renovated system of local government for municipalities and provinces was organized on a partly elective basis and under close American supervision. However, the new colonial rulers kept in mind the gradual "filipinization" of the native government as the art of self-rule developed. The Filipinos, as members of an "unincorporated territory," were declared by Congress to be citizens only of the Philippine Islands, although entitled to protection as American "nationals." They were granted all "fundamental" civil rights under the Constitution except for such "formal" rights as trial by jury.

One of the marked successes of the Americans was the advance of popular education. The Spaniards, as in Latin America, had given much more attention to the education of the well-to-do than to the elevation of the masses. In 1901, the United States transport *Thomas* arrived with a thousand schoolteachers, some of whom remained as late as Independence Day, 1946. To displace the use of Spanish and unite the polyglot islands (and perhaps because of the fact that Americans were poor linguists), English became the official tongue and the language of instruction wherever it was possible to elbow Spanish aside. An entire network of schools came into existence: elementary schools, high schools, normal schools, vocational training schools, agricultural schools, and finally, the capstone in the University of the Philippines, authorized by the legislature in 1908.

Economic life was undoubtedly stimulated by the American occupation. Even the Payne-Aldrich tariff, for all its drawbacks, did aid the native economy by sweeping trade concessions to the Islands. While native leaders were far from happy about any degree of for-

eign rule, they could not help recognizing the important step forward taken by their land since leaving Spain. More concessions were to come with the advent of Woodrow Wilson.

Cuba: Protectorate Under the Platt Amendment

In 1899 nearly 1,600,000 Cubans lived on their crowded little island, most of them beggared by war, perennial disease, and the depressed cattle and sugar economy. Racial tensions between Spaniards and Negroes were aggravated by labor conflicts. The sugar plantations owed their depression during the occupation era to the competitive tactics of the beet-sugar interests in Europe and America. High tariffs and export bounties abroad cut off outlets for cheap Cuban sugar. Independence meant ruin unless the United States market, at least, could be opened. Yet the lobbies which represented beet-sugar interests in the Northwest and cane-sugar growers in Louisiana, Hawaii, and Puerto Rico fought any Cuban-American reciprocal trade agreement.

Only after Europe had abolished export bounties on sugar did Roosevelt act; even then he had to move at first without the consent of Congress. Finally, the fear of losing Cuba as a market for American exports led to a reciprocity treaty which was ratified in 1903. The tariff on Cuban imports to the United States was cut by 20 percent below our regular schedule, and that on exports to Cuba was correspondingly reduced by 20 to 40 percent. Up to 1910 American consumers enjoyed cheaper sugar while Cuban planters gained at least \$20 million by the agreement. By 1914 the United States was importing almost all her foreign sugar from Cuba and American-owned mills on the island were processing over one-third of Cuban-raised cane.

Yankee capital, closely followed by British, poured into Cuba in a swelling stream. In 1906, the year of our second military intervention, it amounted to the huge total of \$159.5 million which was largely invested in sugar and tobacco plantations, cattle ranches, and railroads. The Foraker Act, which attempted to prevent corrupt economic concessions by the occupation authorities to businessmen, forbade the granting of public franchises, but this had only temporary effect and did not actually prevent the ultimate flow of American capital to Cuba.

To strengthen American defenses in the Caribbean, Root decided to reinforce the Monroe Doctrine with regard to Cuba. Accordingly, he wrote the famous Platt Amendment, which was adopted in 1901. This forbade Cuba to make any treaties which might endanger her independence or assume any public debts which could not be met by ordinary revenues. The amendment also assured the United States the future lease or sale of Cuban coaling and naval stations. Most disquieting to the Cubans was the provision that the United States should retain indefinitely "the right to intervene for the preservation of Cuban independence, the maintenance of a government adequate for the protection of life, property, and individual liberty," and in certain other contingencies. With great reluctance and only because of American pressure, the Cubans incorporated into their constitution the Platt Amendment, which made them a protectorate of their northern neighbor. Root privately defended the act by arguing that, since the Monroe Doctrine had no standing in international law, it was necessary to base defensive actions around Cuba upon a recognized document such as the Platt Amendment. His sincerity is attested by the fact that he repulsed the annexationists and initiated the reciprocal trade agreement so that Cuba might live.

Roosevelt was far from anxious to intervene under the Platt Amendment. When he did act in 1906, it was only after repeated urgings by Cuba's President, Dr. Tomás Estrada Palma, and because of a civil war. The second intervention restored peace and produced more highways and public works, favorable labor legislation, the strengthening of local government, and a new democratic apparatus for elections. However, the current depression obscured these efforts and Cuban politicians charged the new governor, Judge Charles E. Magoon, with gross corruption—an unfair indictment. When Roosevelt withdrew American forces on January 28, 1909, the Cubans acted as if this was the one commendable act of the administration.

The best result of the American occupation was the stamping out of the island's ancient scourge, yellow fever, through the coöperation and sacrifices of American and Cuban doctors and their staffs. Sanitation engineers reduced the virulence of smallpox, malaria, and other diseases. Mortality declined. Havana, once a pesthole of infection, blossomed forth as a healthful as well as beautiful modern city. Scientific methods transformed Cuban hospitals, charitable institu-

tions, and prisons. Education, as in the Philippines, experienced a renaissance as a modern school system after American models evolved. The generosity of Harvard made it possible in 1900-1901 for almost fifteen hundred Cuban teachers to enjoy a free program of education, travel, and recreation.

Puerto Rico, Strategic Colony

Strategists like Mahan had converted Congress to the idea that Puerto Rico should be a permanent part of the United States as a defensive outpost. This struggling, overcrowded Spanish colony became part of the new American empire under tragic circumstances. On August 8, 1899, a terrific hurricane killed three thousand of its people and reduced the survivors to destitution; considerable aid was required from its wealthy neighbor. Like the Philippines, Puerto Rico was given the limited status of an "unincorporated territory" under the Foraker Act of 1900, which denied American citizenship to the inhabitants but permitted a good deal of freedom for local institutions, religion, and customs with the implication of ultimate home rule.

The partially elective government set up resembled that of the Philippines, especially in the popularly chosen National Assembly, which was checked by an American-controlled upper council and an American governor. Resisting the pressure of sugar lobbies, Root succeeded by 1901 in leveling tariff barriers between this country and Puerto Rico, thus saving the island's economy from disaster. Within a few years enterprising Americans acquired extensive sugar, coffee, and tobacco plantations and made inroads upon the traditional small subsistence farms of the Puerto Ricans. These farms had long seemed too inefficient for the fast-growing population. New foreign-owned industries arose, exports climbed sharply, and an elaborate system of public works modernized the island. Illiteracy, the heritage of 85 percent of the people, declined steadily. Especially noteworthy was the revolutionary American medical research in curbing the enervating and destructive disease of hookworm which afflicted much of the population; as in Cuba, yellow fever, smallpox, and tuberculosis lost their terror. But the resulting increase in population kept too far ahead of the economic gains.

Before Congress granted free trade to Puerto Rico, the issue be-

came the occasion for the famous Insular cases of 1900-1904. One of the early cases was *Downes v. Bidwell* (1901), which raised the question as to whether Puerto Rican goods shipped to this country were exempt from duty. If Puerto Rico were part of the United States, then no duties could be paid; if not, then what was the colonial status of the island? Did the Constitution with all its civil guarantees follow the flag? Here was the inescapable issue of imperialism. As Justice Brown said in this case, "A false step at this time might be fatal to the development of what Chief Justice John Marshall called the American Empire."

First of all, the Supreme Court disposed of the anti-imperialist argument that the Northwest Ordinance of 1787 had established an American tradition that new territories added to the Union were intended to be treated as equals. The power to acquire territory, it was now argued, meant also the right of Congress to decide what the status of new inhabitants would be. "Indeed," said Justice Brown, "it is doubtful if Congress would ever assent to the annexation of territory upon the condition that its inhabitants, however foreign they may be to our habits, traditions, and modes of life, shall become at once citizens of the United States." The Constitution did not necessarily follow the flag, he implied, because it was permissible to withhold from new territories "artificial or remedial rights" such as citizenship, suffrage, and particular methods of judicial procedure. He concluded, "We are therefore of opinion that the Island of Porto Rico is a territory appurtenant and belonging to the United States within the revenue clause of the Constitution." Commenting upon this decision, Root remarked with his customary humor, "The Constitution follows the flag but doesn't quite catch up with it." In the years to come, however, it became increasingly plain that the democratic principle of the equality of all peoples under the flag would prove more powerful than the sheer colonialism broached in the Insular cases.

"I Took the Canal Zone"

The acquisition of the Panama Zone, so vital to American strategy, overshadowed in importance almost every other phase of Caribbean diplomacy. Interest in an interoceanic canal had been shown long before by Cortés, Simon Bolívar, and Henry Clay among many others.

The expansionists of 1899 demanded the immediate removal of all technical obstacles to an Isthmian canal under exclusively American control. Newspapers drove home the lesson of the *Oregon's* slow voyage around Cape Horn during the recent war while the nation waited impatiently for it to reach the Spaniards in the Caribbean. With both parties pledged to a program calling for the early construction of a canal, the element of time became acute.

Our special interest in the Isthmus had been implied in the treaty of 1846 with Colombia (then New Granada), which permitted the United States to guarantee the neutrality of the turbulent Panama area. Britain, whose interests in Central America antedated the Monroe Doctrine, had fought the extension of American influence, particularly after the discovery of gold in California. A clash was avoided by the Clayton-Bulwer Treaty of 1850, which provided that neither country would fortify, colonize, or dominate the Isthmus or obtain exclusive control over any canal in that region. At the time only Britain was in a financial position to build a canal, but a half-century of inactivity made it clear that she had no intention of undertaking such a project.

Jingoist newspapers like the *New York Journal* whipped up nationalist sentiment in 1900 for the abrogation of the Clayton-Bulwer Treaty. Fortunately for peace, the British were in desperate need of friends to offset the rising might of Bismarck's Triple Alliance and hence were receptive to the "hands across the sea" gesture made by John Hay, the Anglophile Secretary of State in the Cabinets of McKinley and Roosevelt. In a public address at Birmingham, the British Colonial Secretary, Joseph Chamberlain, expressed his hope of a future alliance with the United States which would balance the growing bloc of military powers on the Continent. "I go even so far as to say that, terrible as a war may be, even war itself would be cheaply purchased if, in a great and noble cause, the Stars and Stripes and the Union Jack should wave together over an Anglo-Saxon Alliance." Democrats, particularly Irish- and German-American, charged that Hay had actually engineered an alliance with England.

Preliminary negotiations for an exclusively American canal seemed on the point of success in 1900, but anti-British sentiment as well as reasons of security compelled the Senate to demand American fortification of the canal and the complete abrogation of the Clayton-

Bulwer Treaty. Her isolation endangered by the Boer War, Britain yielded to necessity and, despite criticism at home, accepted the amended Hay-Pauncefote Treaty on November 18, 1901. This treaty, which embodied the Senate's demands, removed an important obstacle to the construction of the canal by the United States.

Both Roosevelt and Congress had almost been persuaded by the engineers of the Walker Commission that the Nicaraguan route was preferable to the Panama Zone for the proposed canal. At this juncture, however, a powerful lobby intervened on behalf of the New Panama Canal Company, which had succeeded the bankrupt French Construction Company of Ferdinand de Lesseps, builder of the Suez Canal. The new company, represented by Philippe Bunau-Varilla, the French engineer, and William N. Cromwell, a New York lawyer, offered to sell its properties for \$40 million. This won Roosevelt and the Congressmen over to the Panama route as being considerably cheaper than that across Nicaragua. Cromwell, who eventually received an \$800,000 fee for his services in connection with the canal, had already contributed \$60,000 to McKinley's campaign chest in 1900 in order to prevent unqualified Republican endorsement of the Nicaragua route. Bunau-Varilla, proud of his role as promoter, boasted later that he had influenced the Senate vote by publicizing a recent volcanic eruption in Nicaragua. He managed to find, at various stamp dealers in Washington, ninety stamps imprinted with a picture of the volcano "belching forth in magnificent eruption"; each Senator received one of these stamps labeled "An official witness of the volcanic activity of Nicaragua." Subsequently the Senate voted the Spooner Amendment of June 28, 1902, which empowered the President to negotiate with Colombia for the Panama route; if he failed to secure this "within a reasonable time and upon reasonable terms," he was to initiate plans for the Nicaraguan canal.

Hay quickly proceeded to negotiate the Hay-Herran Treaty with Colombia; this established a canal zone six miles wide for the sum of \$10 million in cash and an annual rental of \$250,000. For once the Senate offered no opposition to the Secretary of State and approved the treaty on March 17, 1903. Much to the indignation of Roosevelt and Congress, however, the Colombian Senate refused to accept it. The chronic threat of revolution there made it unwise for the government to barter the country's resources too cheaply. American

threats to use force merely stiffened Colombia's attitude. Roosevelt, anxious to begin construction of the canal in time to aid his reelection in 1904, contemplated a legalist formula evolved by the State Department which justified seizure of the proposed canal zone, but this step was superseded by events.

Meanwhile Bunau-Varilla and Cromwell had decided to take no chances on a possible decision in favor of the Nicaraguan route. Apparently without formal authorization from any responsible American authority, the Frenchman convinced a small band of professional revolutionists in Panama that the United States would actively assist that country to regain her long-lost independence. Conversations with the President and members of the State Department made him feel certain that in the event of a revolution the United States would exercise the right given her by the treaty of 1846 with Colombia, and land troops on the Isthmus for the purpose of protecting "free transit"; in fact, exactly this had been done on several similar occasions. If there was no actual collusion between Bunau-Varilla and Roosevelt, it is at least clear that the latter had advance knowledge of the plot and intended to profit from it. Furthermore, the French engineer knew that the U.S.S. *Nashville* would arrive at Colón, Panama, on November 2, 1903, but he claimed later that he had deduced this from the newspapers.

On November 3 the "revolutionists," consisting largely of employees of the New Panama Canal Company and its affiliate, the Panama Railroad Company, and of bribed Colombian troops and local soldiers of fortune, staged their carefully rehearsed uprising. Madame Bunau-Varilla acted as the Betsy Ross of Panama by making a flag for the nation. As anticipated, loyal Colombian troops were unable to land because of American naval forces. With more than undignified haste, Roosevelt immediately extended recognition to the Republic of Panama. In 1911 he boasted to an audience at the University of California, "If I had followed traditional, conservative methods I would have submitted a dignified State paper of probably 200 pages to Congress and the debates on it would have been going on yet; but I took the Canal Zone and let Congress debate; and while the debate goes on the Canal does also." This boast proved costly to Latin-American friendship, for it apparently confirmed the worst suspicions of our neighbors to the south. Liberal newspapers in the

United States criticized the administration and charged that powerful American financiers actually owned much of the New Panama Canal Company in 1903 and had exercised pressure to precipitate the revolution in their own interest.

The Venezuela Blockade

During 1902 Colombia's neighbor, Venezuela, was the cause of another troublesome episode in Rooseveltian diplomacy. In 1895, through the belligerent insistence of President Cleveland that England accept arbitration, this republic settled a long-standing boundary dispute with Britain over British Guiana. This gave Venezuelan politicians a feeling of security in challenging the major European powers, for they were confident that the United States would intervene in accordance with the idea of hemisphere exclusiveness fostered by the Monroe Doctrine.

In 1899 Cipriano Castro, an "unspeakably villainous little monkey"—the words are Roosevelt's—became dictator through a revolution and soon contracted huge foreign debts for an elaborate program of public works. After futile attempts at collection, his creditors appealed to their home governments for assistance and in 1902 England proposed to Germany that they act jointly to compel Castro to accept arbitration. Both powers were reassured by the attitude of our State Department and by Roosevelt's dictum that in case of wrongdoing by any Latin American state, the offended European country might "spank it." Since there was no question of a permanent occupation of Venezuela, the Roosevelt administration remained quiescent while the two chief creditors, later joined by Italy, blockaded Venezuelan ports, bombarded Puerto Cabello, and sank three gunboats. Castro, realizing that American diplomats had deserted him, yielded quickly to this determined onslaught and offered to accept the original demand that the Hague Tribunal arbitrate the issues. Nevertheless, the blockade continued until February, 1903, the blockading powers demanding preferential treatment among Venezuela's numerous creditors.

One of the chief factors which finally brought the blockade to an end was the widespread indignation expressed by American newspapers in January, 1903, when Germany, acting independently, bombarded Fort San Carlos in Venezuela and destroyed an entire village.

The Pan-German press, which preached aggressive expansionism and German racial superiority, added fuel to the flames by bitterly assailing the American right to intervene under the Monroe Doctrine. The State Department had long been disturbed over German penetration into Latin America, particularly Brazil, where 300,000 Germans stubbornly preserved their cultural identity through German-language schools, churches, and recreation, and maintained intimate ties with their homeland. Pan-German propagandists said frankly that Germany needed a huge fleet to protect her advance into South America, the only unexploited portion of the earth left for belated German imperialism. American diplomats erroneously suspected that Germany was responsible for Denmark's refusal to sell us the Virgin Islands in 1902. It now seems fairly clear that the German Foreign Office, in contrast with the Pan-German extremists, followed a circumspect diplomatic policy toward the United States at the turn of the century.

That Latin America was not altogether unconcerned over the Venezuela dispute was apparent in the now famous memorandum of Luis M. Drago, Argentine Minister of Foreign Affairs, to the State Department on December 29, 1902. In this he stated a principle that has become known as the Drago doctrine: "The public debt cannot occasion armed intervention nor even the actual occupation of the territory of American nations by a European power." Much to Drago's disappointment, Secretary of State Root in submitting this to the Hague Conference in 1907 added several major exceptions when he held that the Drago doctrine was "not applicable when the debtor State refuses or neglects to reply to an offer of arbitration, or, after accepting the offer, prevents any *compromis* [the preliminary agreement regarding the subject of the dispute and the powers of the arbitrators] from being agreed on, or, after the arbitration, fails to submit to the award." In this form, despite Latin-American dissatisfaction with the loopholes, the Drago doctrine became an important auxiliary to international law.

The Roosevelt Corollary to the Monroe Doctrine

England's decision to withdraw from the Venezuela blockade had been prompted largely by criticism at home over the Navy's prolonged association with Germany and by the desire to strengthen

Anglo-American friendship. Yet British ties with Latin America—economic, cultural, and historical—were in many respects even firmer than ours. British statesmen, perhaps echoing the sentiments of the Council of Foreign Bondholders, argued that any assertion by the United States of the right to protect Latin-American countries from the consequences of their misdeeds carried with it the duty of controlling these nations. Roosevelt was thus offered the role of international policeman, a congenial part to a man of his active temperament. In 1900, while inveighing against the New York Republican machine, he declared that he had always liked a certain West African proverb, "Speak softly and carry a big stick, you will go far." Fortunately for Roosevelt's administration, the moderating influence of Root, Hay, and Taft kept the big-stick policy subordinate in foreign affairs.

The international policeman had his first chance to act when financial difficulties beset the turbulent Dominican Republic, a vital area of the strategic waters of the Caribbean. An American firm, the Santo Domingo Improvement Company, had controlled the country's customs collections since 1893. Eight years later, its contract was arbitrarily revoked by the local government, whereupon the State Department successfully reinstated the company. Reports of negotiations between the Dominican Republic and Germany regarding naval bases and coaling stations alarmed the United States, despite Chancellor von Bülow's rejection of them. The little republic was financially hard-pressed and its European creditors were gathering about ominously, encouraged by the Hague Tribunal's unanimous decision in 1904 that the powers who had used coercion against Castro were entitled to preferential treatment over all other creditors.

Fearing that the Hague decision had put a premium on foreign intervention and violence, the State Department moved to avert a second Venezuela affair by arranging a treaty with the Dominican Republic that gave the United States official control of the customs revenue, in line with the precedent set in the case of the Santo Domingo Improvement Company. In his annual message of December, 1904, the President formulated the famous "Roosevelt Corollary to the Monroe Doctrine," which accepted the British-inspired suggestion that we make European coercion of any Latin-American nation unnecessary by ourselves assuming the task of preserving order and

protecting lives and property. He denied any territorial designs and assured Latin America that our interest was solely in her prosperity. "If a nation shows that it knows how to act with reasonable efficiency and decency in social and political matters, if it keeps order and pays its obligations, it need fear no interference from the United States. Chronic wrongdoing, or an impotence which results in a general loosening of the ties of civilized society, may in America, as elsewhere, ultimately require intervention by some civilized nation. The adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrongdoing or impotence, to the exercise of an international police power."

This extension of the Monroe Doctrine was elaborated the following year in Roosevelt's message explaining that the Corollary did not mean American intervention when normal redress was sought by a foreign country in behalf of injured citizens. We would intervene only when there was danger that such a nation might take even temporary possession of a Latin-American custom house to compel payment of an obligation and thus open the door to permanent occupation.

Senate Democrats, distrusting the Corollary as rank imperialism, blocked the Dominican agreement. But Roosevelt, with his customary strong belief in the prerogatives of the Chief Executive, proceeded to act without the Senate and issued an Executive Letter that established an American customs receivership for the Dominican Republic and refunded its foreign debt among New York bankers. Haste was made vital by the arrival of an Italian cruiser in Caribbean waters. Since this move was suspected of embodying a plan to obtain a harbor in Samaná Bay, American warships moved in to emphasize the special position of their government in Dominican affairs. The Executive Letter proved so successful financially as well as diplomatically that the British Council of Foreign Bondholders endorsed similar American action in Costa Rica, Honduras, Guatemala, and elsewhere. Roosevelt and Root, however, now showing marked deference to Latin-American opinion, were reluctant to extend the Corollary. Customs duties were collected honestly and efficiently, bringing in much-needed revenue for internal construction as well as for

foreign obligations. Order was restored, at least for several years, without seriously infringing upon native civil liberties. Even our suspicious Senate finally consented in February, 1907, to incorporate most of these arrangements in treaty form.

The necessities of Caribbean strategy, rather than pressure from private investors, dictated our course in Cuba, Puerto Rico, Venezuela, and even Panama. Inevitably these motives, justified by the State Department in the name of national defense, brought all of Central America within the zone of American interests. But during Roosevelt's administration, thanks to the cautious Root, American intervention was sporadic and circumspect. Zelaya of Nicaragua, chief intriguer in Central America, attempted to revive the one-time political unity of this area but found the coöperation between President Porfirio Díaz of Mexico and President Roosevelt during 1906-1907 an effective check. Joint Mexican-American mediation temporarily halted the revolutionary disturbances fomented by Zelaya, and a Central American Bureau was created in the hope of restoring regional unity under democratic auspices. United States marines were instructed by Root not to land in Central America during revolutions unless American lives were in actual jeopardy.

The Open-Door Policy

The mounting importance of the Far East was clearly reflected in the diplomacy of John Hay. At the end of the Sino-Japanese War of 1895, when the despised "dwarfs" had humiliated the giant Chinese empire, the aggressive Western powers descended eagerly upon the prostrate nation to secure spheres of influence, the cession of coastal lands, and exclusively controlled trade centers, factories, and leased properties. The practice of extraterritoriality permitted the Occident to apply its own judicial standards in the case of European residents, and the foreign control of the Chinese tariff system reduced the authority of Peking still more drastically. While Russia and Japan quarreled over the spoils in Manchuria, England expanded into the Yangtze Valley and across the bay at Hong Kong to Kowloon, at the same time keeping a vigilant eye on a southward Russian drive across Afghanistan to India itself. France continued to expand in the south around Indo-China. Germany, late in the race for empire, de-

manded certain portions of the Chinese coast which Japan had allocated to herself after the war. American interests in this potentially rich oriental market seemed well on the way to extinction when we decided to retain the Philippines as a foothold in the Far East.

Britain, finding her "splendid isolation" a handicap in the Orient as well as in Europe, sought American assistance in preserving her extensive trade interests, especially against Russian absorption. During 1898, British statesmen and business leaders urged the United States to join Great Britain in maintaining the territorial integrity of China and an open door for trade. A former English customs inspector in China, Allred E. Hippisley, was the immediate inspiration for Hay's famous open-door notes. Hippisley privately warned the State Department that Russia's rapid penetration into North China meant another Manchuria ruled by the Czar. It was likewise evident that England wanted to avoid arousing American Anglophobes by following the United States, rather than leading, in proclaiming the principle of equal trade opportunities in China.

On September 6, 1899, Hay addressed identical notes to the five chief contending powers in China—Great Britain, Russia, Japan, France, and Germany—in which he asked that they formally adhere to certain principles governing commercial practices in the various spheres of interest. These principles included the following: that no power would interfere with any treaty port or vested interest within another nation's sphere of interest; that the Chinese tariff would be applied impartially within these spheres, the duties to be collected by the Chinese government; and that in the same areas there would be no discrimination in levying harbor duties and railroad charges against foreign nationals. Britain, as expected, adopted these principles but reserved Hong Kong and Kowloon; Germany, Japan, France, and Italy (who had no "sphere") agreed on condition that all the other interested powers accept them. Russia, however, unwilling to yield her dominating position around Port Arthur in Manchuria, was evasive. Professing to believe that all the powers had adopted his proposals, Hay then announced that the United States would consider the open-door doctrine of commercial equality as final. The American press, though critical of Hay's Anglophilic tendencies, praised the Secretary extravagantly for saving China from partition at no cost to the United States.

The Boxer Rebellion: Widening the Open Door

The occasion for an extension of the open-door policy came several months later with the Boxer Rebellion in 1900. Crop failures and mounting taxes, as well as the rapacity of the foreigners, inspired a group of Chinese extremists known as Boxers to lead an uprising in North China which would drive the "foreign devils" into the sea. Missionaries and foreign legations were the primary objects of attack. Over three hundred Europeans were brutally massacred. To save the 920 foreigners who sought refuge in their legations, an international army was organized; the United States sent five thousand troops, largely from the Philippines.

Embarrassed by McKinley's campaign for reelection, in which imperialism was a major issue, Hay informed the American minister at Peking that, as far as limited coöperation with the other powers was concerned, "There must be no alliances." He worked steadily to protect China from disintegration and insisted that our intervention was merely a relief expedition to protect our nationals, and not a war effort against the Chinese government. Although fully aware that the Empress Dowager was secretly encouraging the Boxers, Hay professed to see only isolated bandit groups involved. Other nations followed his lead. In an important circular dated July 3, 1900, and addressed to the major powers, he expanded the open-door idea: American policy stressed not only the "principle of equal and impartial trade," as stated a year earlier, but also the preservation of "Chinese territorial and administrative entity" and the protection of all the rights guaranteed to the various powers by treaty and international law. Once again, comment from the other interested states was favorable on the whole.

This open-door note, which was issued the day preceding the Democratic convention at Kansas City, was praised by Republicans as a refutation of Bryan's charges of imperialism. Hay even pointed out that the "principle of equal and impartial trade" had been proclaimed by Buchanan's Democratic administration in 1858 when the British and French were fighting China. Other nations were not averse to accepting a temporary solution that called for equality of treatment in rich anarchic countries like the Ottoman Empire and China until a permanent division of spoils could be effected. Pos-

sibly the Hay notes did a great deal to retard the partition of China by other greedy nations. McKinley, however, in his desire to withdraw American troops from China and prevent any complications in the Far East, made it difficult for Hay to assist England further in blocking Russia's advance into North China and Manchuria. Britain, left without American aid, drifted into an alliance with Japan which was formally announced in 1902, whereupon our policy, favoring England and hostile to Russia, became increasingly complacent toward Japanese imperialist expansion.

Hay's influence probably modified the terms of the Boxer Protocol of September 7, 1901, which demanded from China an indemnity of \$333,000,000 and the punishment of guilty Chinese officials. The United States asked only to be reimbursed for the cost of her expedition, not for punitive damages; when this amount, \$25,000,000, proved to be far above the claims of her nationals, she returned \$10,785,286 to China in 1907. Following the suggestion of an American missionary, the Roosevelt administration and the Chinese government coöperated in using the money as an educational trust fund for Chinese youths in their own country and in the United States. A final payment of over \$6,000,000 made in 1924 was also returned to China. Generous action like this was needed to calm Chinese indignation over the increasingly severe immigration rules which began to exclude even businessmen and students from the United States early in the present century. American goods were boycotted semiofficially in China during the spring of 1905; this action was followed by riots, the assassination of five American missionaries, and considerable destruction of property. In the face of conditions like these, the remission of the indemnity in 1907 was plain common sense.

Mediating the Russo-Japanese War

Most serious from the standpoint of war and peace were our relations with the ambitious Japanese empire. Recognized as a powerful nation after the war with China in 1895, Japan once more became involved in a major war during February, 1904, while attempting to halt Russia's absorption of Manchuria and Korea. Both Britain and the United States, hostile to Czarist Russia, maintained a friendly neutrality to Japan and helped to preclude outside intervention in the conflict. Roosevelt evinced great respect for the Japanese soldier's

fighting qualities, which were demonstrated in an amazing series of victories over the supposedly more powerful Russians. The victors, however, found the effort exhausting; they were saved from collapse only by revolutionary dissensions in Russia and their own willingness to request mediation (secretly) of Roosevelt.

Japan promised to restore Manchuria to China and accept the open-door policy in that province; more than this she refused to promise. Roosevelt met both belligerents in Portsmouth, New Hampshire, in August, 1905, and removed the chief obstacle to mediation by convincing Japan that she must give up all ideas of a huge indemnity from Russia. He effected a compromise by which the southern half of the island of Sakhalin was awarded to Japan. In addition, the Russians yielded to Japan both the valuable Liaotung leasehold in Manchuria and control of the politically and economically significant South Manchurian Railway, and acknowledged Japan's special position in Korea; the latter proved to be a prelude to outright annexation. Roosevelt was rewarded by receiving the Nobel Peace Prize. But the Japanese populace, ignorant of their own leader's responsibility in initiating the peace overtures, rioted in demonstrations against the United States, which had robbed them of a huge indemnity and other fruits of their glorious victory. Just before the Portsmouth conference Roosevelt made a major concession to Japan in the informal Taft-Katsura agreement of July, 1905, which recognized Japan's "paramount interests" in Korea in return for her assurance that she had no aggressive intentions against the Philippines. For our partial retreat from the open-door policy in this instance, Roosevelt and Root felt there was no alternative but war with the Japanese, who were determined to take Korea.

The Gentlemen's Agreement

A dangerous rift in Japanese-American relations was caused when, on October 11, 1906, the San Francisco Board of Education ordered Japanese school children to be segregated in special schools. The proud Japanese, refusing to be considered on the same level with the Chinese, formally protested this "stigma and odium." Moreover, it was recalled that the Japanese government had headed the list of contributors of funds for the victims of the devastating San Francisco earthquake a few months earlier. Several factors motivated this action

by the Board of Education. Organized labor, including the national convention of the American Federation of Labor as well as the corrupt Ruef labor machine which dominated politics in San Francisco, demanded the elimination of Japanese competition just as a generation earlier it had successfully insisted on the elimination of Chinese labor. Racial hatred was augmented by the powerful but chauvinistic Hearst press of San Francisco, which emphasized the racial factor when it branded the Japanese as the "yellow peril." Finally, anti-Japanese legislation of dubious constitutionality was impending in the state capital, for, like the planters of the Old South, Californians resisted federal pressure by proclaiming the ideal of states' rights.

Fearing the loss of trade with Japan and aware that war would find the nation unprepared, President Roosevelt took vigorous steps to compel California to accept a compromise. A basis for the famous gentlemen's agreement of February 18, 1907, was discovered in McKinley's agreement with Japan, which was still in force and by which Japan promised to refuse passports to laborers bound for the United States mainland. Hawaiian sugar interests, eager for cheap and efficient labor, had encouraged Japanese immigration to Hawaii, and many of these Japanese eventually immigrated to the Pacific coast, where they were welcomed by wealthy California fruit growers and the transcontinental railroads.

The act of 1907 empowered the President to exclude from the United States all aliens who had passports only for our island possessions or for Canada or Mexico. Thus this act of Congress spared Japan's feelings by avoiding any mention of exclusion, offering merely to enforce a policy which she had once undertaken voluntarily. By the informal gentlemen's agreement with Japan, it was understood that the Japanese government would issue passports to the American mainland only to non-laborers or laborers who intended, as the Immigration Commissioner put it, "to resume a formerly acquired domicile, to join a parent, wife, or children residing there, or to assume active control of an already possessed interest in a farming enterprise in this country." Japan agreed upon a similar restrictive policy in regard to issuing laborers' passports for Hawaii.

The gentlemen's agreement did not make the Californians happy because it allowed passports to wives, parents, and children of Japanese laborers already here. Only with the Japanese Exclusion Act of

1924 did the restrictionists appear satisfied and ready to turn their attention to other aliens. At the time of the agreement, an American-educated member of the Japanese parliament issued an open letter to his Foreign Minister, protesting the American discrimination against the naturalization of Japanese-Americans (the Japanese-Americans born in this country were of course citizens by birth) while permitting European nations to retain the privilege. International law, he argued, regarded naturalization as a privilege of all civilized nations on equal terms. He concluded: "We look up to America as our real guide in civilization, as our propitious friend, and as more than our ally. In spite of this relationship, America still looks down upon the Japanese as an inferior race, denies even the privilege of naturalization, and takes an attitude of seclusion and exclusiveness."

The Crisis of 1908

Although California legislators, both state and municipal, had agreed to suspend legislation against the Japanese, a mob, unrestrained by the police, attacked several Japanese buildings in San Francisco on May 20, 1907. This effectively reopened the controversy. Government opposition leaders in Japan threatened war against the United States, and some European diplomats even speculated on a possible Nipponese victory. Relations between Canada and Japan were strained because of similar racial animosities at Vancouver. Since this involved Japan's ally England, through the Dominion of Canada, British diplomats joined the Americans in settling the dispute by paying Japan for relatively small damages caused by rioters. Taft was sent to placate Tokyo.

Roosevelt, however, characteristically chose to impress the Japanese with our naval strength by sending the fleet to the Pacific, ostensibly the first part of a spectacular good-will cruise around the world. It is possible that the President, who feared a surprise attack on Hawaii and the Panama Canal, believed that in this way he could insure the fleet's being completely prepared to fight without having to risk the threat of war inherent in his ordering it to mobilize. A former Navy Department official, Franklin D. Roosevelt, recalled later in 1923, "Outside the executive departments at Washington it has never been known in this country that, during the nervous days

in the early summer of 1908, the United States hovered on the edge of an ultimatum from Japan." Fortunately the fleet was received everywhere with cordiality, even in Japan, where ten thousand school children greeted the American sailors with "Hail Columbia, Happy Land." Australia, ever fearful of Japanese designs on her thinly populated farms and cities, gave the fleet a heartfelt ovation.

Peace came closer with the Root-Takahira Agreement of November 30, 1908, by which both countries agreed to respect each other's territories in the Pacific, to uphold the open door in China, and through diplomatic means to preserve the "independence and integrity of China." Taft had already informed the President that Japan had every intention of dominating China; furthermore, the Chinese themselves looked upon this agreement as a prelude to further Japanese encroachment. Nevertheless, Roosevelt hoped that this understanding, which implied the recognition of Japan's economic position in Manchuria, would postpone war until America was better prepared.

Arbitration Versus National Honor

After 1899, when the first Hague Conference met, arbitration enjoyed extraordinary international prestige among enlightened statesmen and jurists as a peaceful means of outlawing war. High among the ideals of both Hay and Root was the hope that disputes between nations could be settled in accordance with the decision of an impartial body. Whereas Hay was unable to progress far along this path because of the Senate's fear of surrendering its authority in foreign affairs, Root secured general treaties of arbitration with twenty-five nations by agreeing to accept certain vitiating Senate amendments. Not only was the Senate's approval necessary on the *compromis* formula, but these treaties exempted from consideration any disputes involving "vital interests," "independence," or "national honor." This, Root hoped, was at least a beginning.

He enjoyed a signal triumph in the arbitration of the long-standing fisheries dispute with Newfoundland. Less fortunate, however, was the arbitration of the Alaskan boundary conflict between the United States and Canada. This conflict was aggravated by the discovery of gold in the Klondike, which raised the question of access through the disputed coastal strip. Ill feeling on both sides increased as the result

of exaggerated reports of strife and insurrection between American and Canadian miners. Although a tentative agreement was reached in 1899, Roosevelt in 1903 demanded a final settlement which would recognize that our position regarding the Alaskan boundary line was unassailable. The arbitral board supposedly consisted of six "impartial jurists of repute," but the President insisted on selecting three members who were already pledged to his own views. One was the Anglophobe Senator Henry Cabot Lodge; another was Senator Turner of Washington, who echoed his state's belligerent insistence on the fullest extent of our claim; the third was Secretary Root, whom the British considered unqualified because of his connection with the administration.

While the arbitrators were at work, Roosevelt warned indirectly through Root that he would tolerate only a favorable decision; should the judges decide otherwise, he would appeal to Congress for action. "I do wish," he wrote to Root, "that they [the British arbitrators] could understand that this is the last chance and that though it will be unpleasant for us, if they force me to do what I must do in case they fail to take advantage of this chance, it will be a thousandfold more unpleasant for them." Luckily the British, unwilling to take any chance of forfeiting American friendship, had chosen the truly impartial Lord Alverstone, Lord Chief Justice of England. He recognized the strength of the American case and voted with Lodge, Turner, and Root, much to the wrath of the two Canadian jurists. The conflict was decided almost entirely in favor of the United States, but Roosevelt's attitude reflected the obstacle that nationalism presents to the achievement of genuine arbitration.

Dollar Diplomacy: Instrument of Statecraft

Taft on becoming President sought to continue his predecessor's policies but was less fortunate in the men and the measures he employed. After the depression of 1907 American capital sharply increased; it was now seeking more foreign investment outlets and new markets for goods. Taft believed that the major aspect of our foreign policy should include "active intervention to secure for our merchandise and our capitalists opportunity for profitable investment which shall insure to the benefit of both countries concerned." To further this end, he chose as his Secretary of State Philander C. Knox, who

had served as Attorney General in the Cabinets of McKinley and Roosevelt and was intimately connected with big business. Progressives quickly labeled the Taft-Knox program "dollar diplomacy"; some even hinted that sinister commercial interests had enslaved the State Department. Actually Knox's background was similar to Root's and his larger policies received the latter's endorsement. Root himself had sought actively to promote American business abroad, especially in Latin America, and Hay's open-door policy was frankly based on the idea of equal commercial opportunities in China. With apparent sincerity, Knox, like Hay and Root, claimed an altruistic purpose in his activities. Unfortunately, however, he proved far less adept in his diplomacy than his predecessors; as a result, he found himself committed to an unpopular course of intervention in the Caribbean and a quasi alliance with big business that was offensive to liberal opinion.

Taft's ministers and ambassadors, as his biographer, Henry F. Pringle, points out, labored successfully abroad to secure Greek naval contracts for the Bethlehem Steel Company, orders from Peru for American submarines, and Argentine contracts for two major battleships. Secretary of War Henry L. Stimson, destined to serve again in this office a generation later under more momentous circumstances, urged that American officers replace the Europeans in the armies of Latin-American countries, especially since this would mean the purchase of American materials. American businessmen were directly encouraged to invest in Latin America and China.

A significant application of dollar diplomacy occurred in China, inspired by Willard D. Straight, a former American consul general at Mukden, whose motives were indubitably sincere. Straight argued that China's territorial integrity could best be maintained by means of American investments in Manchuria, where Japanese penetration was most menacing. A strong economic interest in that area, he felt, would greatly strengthen our diplomatic efforts in behalf of the open-door policy, already compromised by Roosevelt's concessions to Japan. "Dollar diplomacy," wrote Straight, "is a logical manifestation of our national growth, and of the rightful assumption by the United States of a more important place at the council table of nations." In 1905 Straight had been associated with E. H. Harriman's original project to build a Manchurian railroad as a link in a privately owned

American transportation system which was to circle the globe. This scheme had failed because of Japanese opposition. When Taft took office, Straight was acting as agent for the New York banks that were interested in underwriting any Far Eastern loan. The new administration, influenced by Straight's ideas, supported this group by strong diplomatic measures.

In an ambitious endeavor to eject Japan and Russia from Manchuria through dollar diplomacy, Knox proposed to these powers as well as France, Great Britain, and Germany that an international syndicate purchase and operate the railway holdings of Russia and Japan in Manchuria on behalf of the Chinese government, which would appear as the nominal purchaser. Thus the political role of the railroads, the chief instrument of Japanese and Russian domination, would be neutralized and the open-door policy reasserted. Knox apparently counted on the serious financial plight of these two countries to compel acquiescence, but his bungling attempts at diplomatic pressure had the effect only of drawing the two imperialist rivals together in joint resistance. The other powers were too far committed to a partisan position to follow Knox's proposal. France supported her ally, Russia; England sided with Japan, with whom she was still allied; only Germany, isolated diplomatically, supported the Secretary. The treaty of friendship signed by Japan and Russia on July 4, 1910, administered the final resounding rebuke to Knox and the open-door policy in Manchuria. The New York bankers were disgruntled by the State Department's failure. Worse still, the jingoist press revived an anti-Japanese campaign which required the best efforts of moderate statesmen to subdue. While the Japanese press treated the Knox proposals as "nothing but selfish ambition and unreasonable jealousy," the Tokyo government left no doubt that it intended to dominate the railroads of South Manchuria.

The Lodge Corollary

Suspensions of Japanese designs on the New World furnished the occasion for another extension of the Monroe Doctrine, this time by Senator Henry Cabot Lodge. During 1911 the Hearst newspapers created a sensation by claiming that a Japanese company was negotiating with an American group for the purchase of a huge tract of land on Magdalena Bay in Lower California; such a move would con-

stitute a threat to the Panama Canal. Although the State Department put a speedy end to this proposal, the agitation it aroused led to the passage of a Senate resolution known as the Lodge Corollary to the Monroe Doctrine. This resolution declared that the United States would oppose possession of any place of strategic importance in the Western Hemisphere by a private concern whose relation to a non-American nation was such as to give that nation practical control. Although Taft considered this resolution provocative, he was unable to prevent its adoption.

Dollar Diplomacy in the Caribbean

Critics of dollar diplomacy usually singled out Taft's Latin-American policies for censure. Recurrent civil wars in the turbulent republics made even the good-natured Taft confess privately to Knox that he would like to "knock their heads together until they should maintain peace between them." The period of peace which had been painfully maintained in the Dominican Republic since 1905 by the customs control established by Roosevelt ended suddenly in November, 1911, with the assassination of President Cáceres and the subsequent struggle for power. The situation was further complicated by a boundary dispute between the Dominicans and Haiti. Meanwhile the customs control had been undermined by the extravagance and incompetence of Dominican officials. Fearing that European nations would intervene, in spite of the Roosevelt Corollary to the Monroe Doctrine, Taft rushed 750 marines to the little republic in October, 1912; naval reinforcements were required before peace was finally restored.

Conditions were far more serious in Central America, for the ambitious dictator José Zelaya continued to play a leading role in disturbing the peace in Nicaragua. However, his doom came with the revolution of October, 1909, in which American mining companies were interested. When Zelaya executed two American soldiers of fortune, Secretary Knox broke off relations with Nicaragua and denounced the dictator as a "blot on the history" of his country. Zelaya yielded to this pressure and resigned; his followers were defeated with the help of American naval forces, which indirectly kept open certain strategic points to save his opponents from entrapment.

The Vice-President chosen by the incoming Conservative govern-

ment was Adolfo Díaz, who had been secretary of the American Mining Company at Bluefields, Nicaragua; this firm had once employed Knox as its legal representative. In 1910 Díaz became President. His appeal to the United States for financial aid in meeting the burdensome debts of Nicaragua was answered by the Knox-Castrillo treaty of June 6, 1911. Although this agreement followed the Dominican pattern, suspicious Senate Democrats rejected Taft's request for ratification, despite his statement that the New York bankers were only waiting for Senate approval to extend a loan of \$15 million to Nicaragua. In 1912 civil war again broke out in the republic and American marines were landed. This time they openly defended the Conservative government and left a "legation guard" of one hundred soldiers to stabilize the regime.

Elsewhere in Central America Knox failed miserably. In Honduras he attempted to block British financial and political domination by persuading American bankers to acquire control of British-held loans. He arranged a treaty based on the Dominican model and providing for American control of Honduras customs, but the Senate's refusal to ratify it made the bankers lose interest in his proposal. A similar attempt to acquire control of the Guatemalan debt held in Great Britain was unsuccessful because of energetic British action. Thus dollar diplomacy in Central America failed its sponsors, partly as the result of Knox's inept methods, which made the press, already dissatisfied with Taft's domestic policies, even more suspicious.

In Cuba this policy, reinforced by the interventionist Platt Amendment, took on a crude imperialist flavor because of the large American investments there; the holdings of nonresident Americans alone reached the huge total of \$205 million. Adopting a policy intended to forestall European intervention, Knox tried to increase the American economic stake in Cuba by securing contracts for our businessmen there; he defended their interests by military means under the Platt Amendment. When American firms insisted on protection during a Negro insurrection in 1912, the Secretary of State, ignoring claims by Cuban officials that the situation was under control, landed marines at several points. Roosevelt and Root, as Leland Jenks observes, would have deferred military action until the actual collapse of native authority was clear. Taft and Knox, however, took precipitate measures which had a deleterious effect on Latin-American relations.

The Madero Revolution

During 1910-1911 Mexico was shaken by a social and political revolution whose far-reaching consequences intimately affected the lives and property of both natives and foreigners. Porfirio Diaz, the dictator-President since 1876, had long before restored peace and order to his revolution-ridden land but had ruthlessly destroyed his critics. At the same time he rewarded his supporters by wholesale grants of land taken from the helpless Indians, in accordance with his law of 1886, which required all landholders to prove their titles. Both Roosevelt and Taft were oblivious to the high price in civil liberties that the Mexican masses paid for their nation's well-publicized prosperity (which failed to trickle down to the lower classes) and hence remained great admirers of the dictator. American capitalists, impressed by the extremely generous concessions offered them by Diaz, were also inclined to think well of him. Henry Lane Wilson, whom Taft appointed as ambassador to Mexico, became an influential spokesman for Yankee business, then valued at \$2 billion; he also faced the problem of providing safety for seventy thousand Americans living in that southern republic.

Long resentful over their grievances, Mexican farmers and laborers in 1910 joined a revolutionary plot against Diaz, led by the idealistic Francisco Madero. This leader, who came from a wealthy family in Coahuila, demanded the restoration of the democratic but anticlerical Constitution of 1857, a system of public education, and various agrarian and industrial reforms. His armies drove back the dictator's demoralized troops in a march on Mexico City from the north and on May 25, 1911, compelled Diaz to flee. Unfortunately for Mexico, Madero failed to maintain order. A rival revolutionary movement led by Emiliano Zapata demanded that the large estates be divided among the landless, and several former associates of Madero intrigued against the new President. Ambassador Wilson, who admired Diaz, was openly hostile to Madero. Our Congress, however, supported the revolutionary government and attempted to weaken its opponents by forbidding, on March 14, 1912, the shipment of arms to any nation in the Western Hemisphere which was in the throes of domestic violence. Knox threatened to have this embargo repealed unless Madero could give American lives and properties more effec-

tive protection. When Madero, in reply, reminded him of the Mexican citizens in Texas and California who had been lynched or beaten while the Americans responsible for these outrages had escaped unpunished, the Secretary ignored him.

American troops, considerably reinforced, were stationed along the border, but Taft firmly resisted the attempts of the jingoists, especially the Hearst press and the representatives of American oil interests in Mexico, to precipitate war. The most tragic blow to Taft's Mexican policy was struck by Ambassador Henry Wilson, who apparently encouraged, even if he did not actually connive with, Madero's former adherent, General Victoriano Huerta, to seize power and overthrow Madero. When Madero was assassinated, possibly at Huerta's instigation, Wilson denied the latter's responsibility and urged prompt recognition of the Huerta government. But Knox joined with the American press in holding Huerta guilty and instructed the ambassador to avoid any action that would imply our formal recognition of the Huerta regime. At this stage of the crisis the new Democratic administration in the United States took office.

Defeat of Canadian Reciprocity

Although Canadian-American relations brought some minor triumphs to Taft, particularly in the international agreement of 1911 calling for the preservation of seals in the North Pacific and the final settlement of the Newfoundland fisheries dispute, the major issue—Canadian reciprocity—brought a stunning defeat. As an economic liberal and internationalist, Taft believed with McKinley in reciprocity because it would compel the wholesale reduction of world tariffs through negotiation. Here was an opportunity to offset the general dissatisfaction with the Payne-Aldrich tariff and the high cost of living. Although many earlier attempts at reciprocity with Canada had failed because of private interests, at least one—the Elgin-Marcy Treaty of 1854—had operated to Canada's benefit until its abrogation twelve years later by the United States. Canadian Liberals under Prime Minister Sir Wilfrid Laurier and low-tariff Democrats in the United States joined with administration Republicans in supporting a new reciprocity agreement.

The President's plan, embodied in a bill submitted in 1911, called for concurrent legislation in both countries which would admit with-

out duty a long list of agricultural products, farm machinery, meats, automobiles, and certain other items. A favorable American press was assured by the free entry of Canadian paper and wood pulp to the United States, and Congress was favorably inclined toward the bill. Canadian nationalists, however, encouraged by the British press, looked upon reciprocity as a prelude to annexation and therefore fought the agreement. These fears rose to a high point when Champ Clark, the Democratic leader, told the House on February 11, 1911, that he desired passage of the bill because he hoped to see the day "when the American flag will float on every square foot of the British North American possessions clear to the North Pole." In addition to the nationalist sentiment in Canada against reciprocity, numerous economic interests there strongly opposed it. Some of these companies, artificially created by tariff favors, were threatened with extinction. The Canadian transcontinental railroads, which had been heavily subsidized by the government to link the Far West and the East, seemed to be endangered by the competitive north-south movement of traffic. Prime Minister Laurier dissolved Parliament and appealed to the country on the reciprocity issue; in spite of a gallant fight, he was defeated in the ensuing elections. Thus Taft suffered another, and undeserved, defeat to his foreign policy.

The Taft Arbitration Proposals

Like Root, Taft believed firmly in the power of judicial processes to bring about international peace. During 1911, Secretary of State Knox drew up arbitration treaties with Great Britain and France which in scope went far beyond any of the treaties formulated by Root. Instead of excluding as usual those questions affecting "national honor" or "vital interests," Taft held that all "justiciable" (questions of a legal nature) disputes would be submitted to arbitration. A joint commission of the two signatory nations would decide as to what was justiciable. Here again, despite the President's vigorous defense of his position, the Senate acted as if Taft intended to rob it of its constitutional power to share with him in the direction of foreign policy. Led by the nationalistic Henry Cabot Lodge, the Senate proceeded to strike out the provision for a joint commission and added "reservations" in the style that Lodge later made famous in the fight against "Mr. Wilson's League." Among these reservations

were the exclusion of such "domestic questions" as the Monroe Doctrine, the admission of aliens, and many more. Thereupon, Taft refused to accept his mutilated handiwork as it emerged from the Senate.

The catchword "imperialism" does not accurately describe American foreign policy from McKinley to Wilson, although there were the elements of economic pressures and aggressive nationalism that are usually thought of in connection with the term. Strategic factors were clearly foremost. State Department experts, gravitating toward the teachings of Alfred Thayer Mahan, redefined the strategic needs of this country in terms of the current changes brought about by a fast-growing population and commerce and the increased speed of modern communications and transportation.

In keeping with this motive, the traditional policies of the Monroe Doctrine and isolation toward Europe were modified. In the Caribbean, a broad "preventive" policy to strengthen the hemisphere against strong expanding countries like Germany led the State Department and the President (including Wilson later) to send marines to troubled zones in the Caribbean and to remove all obstacles to the building of the Panama Canal. The pressures of businessmen and industrialists, while important, do not explain such basic policies as the open door or dollar diplomacy. The open-door policy, for example, was adopted because of our belief in the huge potentialities of the Chinese market for future generations and the strategy of Pacific defense. Even dollar diplomacy, so profitable to American investors in Latin America, was devised primarily to preserve the new strategic defenses by offsetting the dangers that would arise from the economic penetration of key areas by powerful European nations or Japan. The State Department was not the errand boy of big business, as critics intimated.

Nevertheless, the very necessities of strategy and the rising nationalist spirit after 1898 led statesmen to adopt certain aggressive measures, such as Roosevelt's acquisition of the Canal Zone and Taft's hasty intervention in the Caribbean, that seemed indistinguishable from European imperialism to many writers of that day.

In the United States (and western Europe, too) a large part of the progressive movement went hand in hand with an aggressive foreign

policy, despite sharp dissents from Jane Addams, Mark Twain, Bryan, Wilson, and other liberals. Roosevelt and Senator Beveridge were not alone among the progressives who urged domestic reforms and expressed attitudes of racial superiority more fitting for the colonialism of Kipling than for international humanitarian beliefs. In fact, as Professor William Leuchtenburg points out, the Progressive party had no program for changing the racist situation at home or abroad.

Some progressives like Herbert Croly, editor of the *New Republic*, argued that the mood of expansionism since 1898 gave "a tremendous impulse to the work of national reform." The New Nationalism that Croly liked to talk about meant at the same time an aggressive diplomacy based on a narrow concept of national self-interest and a forward-looking program of welfare legislation. In Congress the insurgents assailed big business and Taft's alliance with the Old Guard, but they raised few objections to the new foreign policies, even upon the most controversial actions of Roosevelt and Taft in the Caribbean. The growing nationalism of that day paved the way of the State Department to expand the traditional ideas of strategy.

Chapter 5

THE PROGRESSIVE REVOLT: POLITICAL PHASE

The Temper of Progressivism

"Roosevelt was the Bull Moose movement," asserted Elihu Root to Philip C. Jessup, revealing an exaggerated estimate typical of those who came under the spell of the former President's vigorous personality. Actually this American movement of social protest was only one phase of a change that was then affecting most of Western civilization. In England, the New Liberalism led by David Lloyd George was fighting to overthrow Tory landlordism, which was monopolizing the best lands of an increasingly congested country. In an effort to shatter the complacent laissez-faire spirit of Victorian England, labor unions in 1906 founded the militant Labour party, which included many Socialists. Simultaneously with the United States, Great Britain embarked on a pioneer program of welfare legislation that provided compensation laws for injured workmen and assistance to children through such means as factory laws, scientific procedures in juvenile courts, educational aid, and wholesome recreational facilities. England, however, surpassed the American effort by establishing old-age pensions, sickness insurance, unemployment compensation, and model housing.

Just as the leading issue in the election of 1912 in the United States was direct popular control of government, so the parliamentary elections in Great Britain in 1910 marked a sensational struggle to overthrow the power of entrenched minority interests in the House of Lords in an effort to achieve a more democratic constitution. Even a

casual glance at prewar Germany, France, and Italy reveals similar popular movements imbued with the ideal of social democracy expressed in the Progressive or Bull Moose platform.

Strikingly enough, the intellectual mentor of Lloyd George was a New York reformer of the same name, Henry George, whose *Progress and Poverty* (1879) deeply influenced the British statesman as it did many American progressives. Henry George, observing the fast-disappearing public domain and the speculators' increasing tendency toward land monopoly, concluded that as the population increased, this monopoly would dominate society, sharpen class lines, and entail widespread misery. The single tax, his proposed solution, would practically eliminate all other forms of taxation in favor of a tax on land values exclusive of improvements. He contended that since all land values were enhanced by the growth of a community rather than by an individual's effort, the community was justified in confiscating this "unearned increment" through taxation. Innumerable Americans, like the millionaire traction owner Tom L. Johnson of Cleveland, who became a model mayor, dated their conversion to social democracy from their first reading of Henry George. As early as 1905, more than two million copies of *Progress and Poverty* had been printed and an estimated three million copies of George's other reformist books had been sold both here and abroad. Despite the scoffing of professional economists, his doctrines made steady advances especially among middle-class reformers.

The breakdown of traditional ethical standards in business was hastened by the march of unrestrained individualism and the corroding influence of rapid urbanization. If success and wealth alone were the pragmatic test, the question of how to obtain them honorably was irrelevant. Many small businessmen emulated the ruthlessness of the Tobacco Trust and, failing to achieve success, denounced the corruptness of their more favored competitors. Although muckrakers assailed the low ethics of business and politics, Lincoln Steffens, the prince of them all, observed that the respectable leaders of the community actually preferred to have a boss in power, for this gave unique opportunities for self-enrichment through public contracts and utility franchises. Besides, they felt, reformers and the exposures they made hurt business. Too many reform mayors and governors had been voted out of office as soon as the original mood of popular

indignation subsided. In some cities a single economic interest, such as the largest railroad or an important utility company, found it expedient to bribe the voters, directly or indirectly, in order to maintain its favored position against outside competition or prevent the passage of nuisance bills intended as political blackmail.

A decided handicap in the progressive effort to introduce responsible government was the individualist tradition of the frontier, which opposed managerial experts in local government and confused voters by overburdening the ballot with scores of unnecessary elective offices. The same individualism led the middle western and western states to solve corrupt politics by adopting the various pioneer devices of direct election, including direct primaries and the recall of public officials. With incredible faith in the average citizen's ability to decide extremely complex governmental problems, these two sections enthusiastically presented the electorate with new tasks. Among them were the initiative, which permitted voters to compel popular consideration of a measure by petitioning for a public vote to be held on it; the referendum, which allowed a specified percentage of the voters, acting by petition, to remove a bill from the legislative body and submit it to popular vote; and the recall, exercised similarly by petition, which permitted the electorate to vote on the dismissal of an elected official. This system of direct election, popularly known as the Oregon system, awakened premature hopes that the day of crooked elections was over.

Early Progressivism

From the literature and politics of social protest during the late 1880's and 1890's came the germinal ideas of progressivism. Edward Bellamy of Massachusetts revived the utopian socialism of a half-century before in his influential novel, *Looking Backward, 2000-1887* (1888), which painted an idealistic picture of an efficient state socialism. Over a million copies were sold quickly—it was still in demand during the Bull Moose era—and scores of Bellamy clubs spread the "nationalist movement," as it was called, throughout the country. The nationalists were swallowed during the early nineties in the tidal wave of agrarian protest known as Populism, the inflationist and antimonopoly platform of the People's party.

The falling farm prices, stationary debts, and high railroad and

warehouse rates that followed the Civil War inspired widespread unrest that was manifested in such movements as the inflationist Greenback party of the 1870's and the Farmers' Alliances. Workingmen's antimonopoly movements antedated the Civil War; their dissatisfaction was reflected in the program of the idealistic but inchoate Knights of Labor, which with the Farmers' Alliances formed the new People's or Populist party in 1891. Except for the emphasis on inflation, its platform in 1892 anticipated in large part the major demands made by the Roosevelt and Wilson progressives. Although they called for the free and unlimited coinage of silver in an effort to raise farm prices and ease the debt burden, the Populists also agitated for a flexible currency that would be under government control; this issue was to be dealt with by Wilson in his Federal Reserve Act. They demanded a graduated income tax; public ownership and operation of railroads, telegraphs, and telephones; an eight-hour day for labor and the abolition of industrial spies like the Pinkertons; the direct election of Senators, a single term for the President, the initiative and referendum, and the Australian ballot; a subtreasury system that would permit generous federal loans to be extended on farm products in storage; the abolition of land monopolies; and a postal savings system. After polling over a million votes in the presidential election of 1892, the Populists decided four years later to join with the Democrats after the inflationist wing under Bryan and Algeld had expelled the followers of the conservative Cleveland. Bryan remained faithful to the Populist heritage which later became the basis of Woodrow Wilson's New Freedom. The Republican progressives under Robert La Follette and Roosevelt likewise emphasized federal responsibility for social welfare.

In 1881 Henry Demarest Lloyd, the financial editor of the *Chicago Tribune*, assailed Rockefeller's Standard Oil Company in "The Story of a Great Monopoly," which aroused national attention when it appeared in the *Atlantic Monthly*. Lloyd's criticisms of monopoly and corruption were amplified in his challenging book, *Wealth Against Commonwealth* (1894), which became the literary prototype for Ida Tarbell's muckraking exposé of the following decade, *The History of the Standard Oil Company*. In other books and articles Lloyd sought to awaken the public conscience against mining and factory abuses, and he advocated compulsory arbitration of labor dis-

putes after the New Zealand pattern. He worked with the leaders of Hull House and his friend Governor Altgeld in promoting social legislation in Illinois and the municipal ownership of Chicago's traction system, then dominated by Charles T. Yerkes.

Among the most influential of the reform governors who upheld early progressivism was John Peter Altgeld of Illinois, a wealthy lawyer and real estate promoter—he lost this fortune while governor—whose administration (1893–1897) was devoted to pioneer labor legislation, antitrust activity, civil service and tax reform, and the introduction of scientific procedures into penal institutions and mental hospitals. His battle against the traction and gas monopolies was largely responsible for his defeat as governor in 1896, but despite ill health and poverty he continued until his death in 1902 to demand municipal ownership as the solution to the corrupt alliance between politicians and utilities in Chicago. On the national scene he promoted the Populist-Democratic fusion of 1896 which liberalized his party. He denounced the conservative Cleveland wing for repealing the inflationary Sherman Silver Act of 1890 and claimed that the move had been instigated by creditor interests. During the Pullman strike of 1894, he strongly protested Cleveland's sending federal troops to Chicago before rioting actually broke out. Despite Altgeld's feud with the *Chicago Tribune*, which lampooned his motives, and his much-criticized pardon of the Haymarket "anarchists," his idealism crystallized into a vigorous progressive tradition after his death.

Muckraking at Its Zenith

Lincoln Steffens, staff writer for *McClure's Magazine*, shocked thousands of readers during 1902–1903 by his revelations of civic corruption and initiated a vogue of exposé journalism which Roosevelt labeled "muckraking." *The Shame of the Cities* (1904) and *The Struggle for Self-Government* (1906) included certain of his McClure articles and won national attention. In refuting those who blamed civic corruption on illiterate immigrants, Steffens chose the predominantly native American city of "Philadelphia: Corrupt and Contented"—as he branded it—as the worst-governed municipality in the nation. The city's Republican machine, which was dominated by the state boss, Senator Matthew S. Quay, gave away city franchises with a facility comparable to that of New York's Tammany Hall.

Delighting in assailing popular idols, Steffens publicized the degradation of San Francisco, where the Schmitz administration, claiming to be a labor government because it was elected by trade-union votes, held sway. Actually, however, it was ruled by a boss, Abe Ruef, in the interest of large corporations, especially the railroads and some lesser political grafters. It was this demagogic ring that created international complications in 1906 by its order segregating the relatively few Japanese children in special schools. A small band of reformers led by Fremont Older, editor of the San Francisco *Bulletin*, revealed startling cases of bribery that involved the entire Board of Supervisors, as the city's legislative council was known, and certain large utility companies in the state. As a result, Ruef and Schmitz were sent to jail. The reformers had to overcome the most stubborn resistance even from the "respectable" element and were lampooned in Hearst's *Examiner*. They won a temporary victory in 1910 when Hiram Johnson was elected governor of California with the slogan, "The Southern Pacific Railroad must be kicked out of state politics." A few years later Johnson began his long career as United States Senator. But the citizenry of San Francisco grew tired of the reformers and reinstated the old political machine.

Among the most colorful opponents of civic corruption was Mayor Samuel M. Jones of Toledo, a wealthy oil owner and manufacturer of Welsh descent whose idealism in managing his factory earned him the title of "Golden Rule Jones." A philosophic anarchist who admired Tolstoy, Jones looked upon mankind as inherently good and attributed man's predatory habits to the evils in our social structure. The newspapers were startled when he ordered the police to dispense with their night sticks, and fears of socialism were awakened by his campaign for the public ownership of local utilities. To the children of Toledo he made public playgrounds and free kindergartens available; to labor he offered factory reforms and free recreational opportunities. Despite his repudiation by the Republican regulars, Jones remained in office as an independent until his death in 1904, when his former secretary, Brand Whitlock, became mayor. Whitlock, who had served his political apprenticeship in Illinois under Governor Altgeld, was a worthy successor of Jones. In his efforts to strengthen popular government he secured from the Ohio legislature a new charter for Toledo which contained provisions for the

primary system and for the adoption of the initiative, referendum, and recall.

From 1901 to 1909 Cleveland had its own idealistic equivalent of both "Golden Rule" Jones and Brand Whitlock in Mayor Thomas L. Johnson, a wealthy steel manufacturer and streetcar magnate who had, confessedly, once bribed the city councilmen and other politicians to secure special concessions. Johnson, the son of a former Confederate officer, had risen from poverty during Reconstruction days and, aided by an inventive turn of mind, had learned early in life the possibilities of self-enrichment through monopolist methods. One day, on the chance recommendation of a train conductor, he purchased Henry George's *Social Problems* and was so impressed by the single-tax idea that he experienced an intellectual and moral conversion. Convinced that the monopoly of land and natural resources was unjustified, he sold his railway properties and in 1901 ran successfully as a reform candidate for mayor on a platform demanding municipal ownership of public utilities and a three-cent fare.

Aided by a remarkable personal following which included Newton D. Baker, later Wilson's Secretary of War, Edward W. Bemis the economist, and Dr. Frederic C. Howe, lifelong champion of reform, Johnson soon established a nation-wide reputation as an efficient executive and a dauntless fighter for the more abundant life. Among the benefits brought to Cleveland were a system of city planning, tax reforms, and reduced fares; extensive parks, playgrounds, and other recreational facilities; effective sanitation; and new, scientifically managed institutions for delinquents and the mentally handicapped. Under his administration Cleveland was in many respects the best-governed city in the nation. In 1909, however, the entrenched political and economic cliques defeated Johnson at the polls by a narrow margin, but the civic spirit he had invoked was revived two years later by the new mayor, Newton D. Baker.

"Fighting Bob" La Follette

The man whose name was most intimately associated with the progressive movement was Robert M. La Follette of Wisconsin, the dynamic spokesman of agrarian discontent and a bitter foe of corporate privilege. Although formally a Republican, he showed a

heretical disposition to disregard party lines in favor of definite principles. As governor during 1900-1906 he challenged the political power of the railroads and utilities by creating forceful regulative commissions that had authority to determine rates on a basis of the valuation of physical assets. He was a pioneer in demanding a state income tax graduated on the principle of ability to pay; he secured passage of an inheritance tax, and he sought to eliminate industrial monopolies through legislative restraints. Workmen's compensation laws were passed and hours of work for women and children were shortened. State forest reserves were set aside for the people's benefit.

A strong believer in popular government, La Follette introduced a sweeping program of electoral reforms, including the direct primary and the initiative, referendum, and recall. He chose to enhance popular control by frequently submitting his policies to the voters. After his election to the United States Senate in 1906, he became the leader of the Republican insurgents and the prime spirit behind the National Progressive Republican League, founded in January, 1911. Theodore Roosevelt's stupendous personal following deprived him of the well-earned presidential nomination by the Progressive party in 1912. Thereafter, until his death in 1925, Senator La Follette remained the leader of the progressive movement, especially in Wisconsin.

"The Treason of the Senate"

In 1911 the *Chicago Tribune* published sensational details regarding the wholesale bribery which attended the Illinois state legislature's election of William Lorimer to the United States Senate. As a member of the state legislature and a political boss, Lorimer had long been an opponent of reform. Before the Senate had time to exercise its privilege of passing on the qualifications of its new member, Theodore Roosevelt, the most active American ex-President in history, drew nation-wide attention to the case when, in a widely publicized letter to the Chicago Republicans who were sponsoring a dinner to be given in his honor, he stated that he would not attend if Senator-elect Lorimer were present. Accordingly Lorimer's invitation was withdrawn. Newspapers quickly played up the incident, and official Washington from President Taft on down was eventually involved in the controversy. Although the Senate Committee on Privileges and

Elections, aware that the Illinois legislature was not unique in its method of electing Senators, attempted to validate Lorimer's title, the pressure of Taft and Root—the latter was then serving as Senator from New York—united enough regular Republicans to unseat the newcomer.

The Lorimer case gave final impetus to the growing movement for the direct election of Senators which had begun during the nineties. In a series of articles called "The Treason of the Senate," David Graham Phillips excoriated that body as a rich man's club that was representative only of corporate privilege. By 1912, when the Seventeenth Amendment was passed in both houses of Congress, Senators in twenty-nine states were being directly elected by the people rather than the state legislature. These states achieved this result by indirection; that is, they provided for the popular nomination of Senators, with the understanding that the legislature would automatically accept the nominees. New York's resolution of 1911 calling for congressional action on the prospective Seventeenth Amendment was offered by a rising young state senator, Franklin Delano Roosevelt. Although legalists like Root distrusted the increasing demand for constitutional reform on the ground that it constituted an expression of distrust in representative government, thirty-six states quickly endorsed the New York resolution, and the amendment became law on May 31, 1913. Later critics lamented the fact that the new amendment seemed to produce mediocrities rather than senatorial giants like Webster, Clay, and Calhoun.

Direct Democracy

Popular impatience with the state legislatures, the lobbyists, and the boss-controlled party conventions hastened the adoption, in the West and Middle West, of the various devices for direct election, especially direct primaries and the initiative, referendum, and recall. South Dakota under Democratic and Populist leaders introduced the initiative and referendum in 1898, but Oregon's thoroughgoing espousal of these and other similar devices in 1902, under the leadership of William S. U'ren, furnished the model for the other states. U'ren, "the lawgiver, father of the initiative and referendum," was the leading crusader for the Oregon system. Born in Wisconsin, the son of a Welsh blacksmith, he knew poverty as a youth; like many

other progressives, he had been started on his career of systematic political activity by Henry George's doctrines. During the nineties he introduced in Oregon the Australian, or secret, ballot and a voter's registration law, both aimed at fraudulent voting; in 1902 the Populists and independent voters under his leadership forced the adoption of the initiative and referendum; two years later a direct primary law was passed, followed closely by a corrupt practices act and the adoption of the recall. U'ren's reform lobby, like Chicago's Municipal Voters' League, demonstrated the effectiveness of a well-organized minority in reducing if not eliminating civic corruption.

The movement for direct primaries on a state-wide scale began in Wisconsin with the law of 1903 which enabled Governor La Follette to break the Republican machine's control of nominations in his state. This example proved so contagious that by 1915 at least two-thirds of the states had adopted direct primaries. La Follette also set the precedent in 1905 of allowing the voters at the primaries to instruct their party's delegates to the national convention regarding their choice for President. Although the preferential primary, as this system was called, was not mandatory as a rule, fifteen states had provided for it by 1912. This fact encouraged Roosevelt in believing that he might thus win over many of Taft's delegates in the Republican convention.

The Expert in Government

The progressive movement, by its strong interest in novel electoral devices, undoubtedly contributed to the science of politics; reformers tried to replace the alleged efficiency of the boss system by administrative experts and simplified governmental machinery. In 1900 the National Municipal League campaigned for city home rule and government by experts; subsequently bureaus of municipal research were organized to provide a scientific basis for remedial legislation, and a host of courses in city administration were offered by various universities. An attempt to overcome public apathy and blind voting was made by the National Short Ballot Organization, founded in 1909. This group sought to reduce the long list of offices that usually appeared on a ballot to a few important policy-making positions and to make the elected officers responsible for the appointment of lesser officials. It was expected that eventually government would thus at-

tain the centralized responsibility and simplicity requisite for intelligent voting at the polls. Woodrow Wilson, when president of the association, declared that the short-ballot movement was the key to the entire problem of the "restoration of popular government."

An important step toward responsible leadership came with the commission system initiated in Galveston, Texas. In September, 1900, a gigantic tidal wave overwhelmed the Gulf city; one-sixth of the inhabitants were killed and considerable property was destroyed. Galveston's inefficient mayor and council system had shown little but an ability to accumulate huge annual deficits during normal times; in abnormal times such as followed the catastrophe, the Texas legislature had to intervene in order to save the city from bankruptcy. As an emergency measure the state replaced the mayor and councilmen with a combined executive and legislative board of five commissioners, one member of which acted as mayor-president. So well did this centralized board operate that the commission system, as it became known, was soon made permanent in an elective form. By 1912, two hundred municipalities had adopted the commission system with minor variations, and two years later it was in force in more than four hundred cities in the United States and Canada.

It became apparent, however, that the commission idea itself embodied certain of the cumbersome features of the old mayor and council system with its checks and balances and divided authority; for one thing, the five-headed executive too frequently lacked administrative unity. A wholesale reversion to the earlier form of government was partially checked by the rise of the council-manager plan, popularly known as the city-manager system, which Staunton, Virginia, adopted in 1908. This system supplemented the mayor and council system with an appointed professional manager who was held responsible for the administrative and business aspects of government; legislative action was left to the elected officials. The city manager's powers were carefully defined in the city charter, which usually emphasized the nonpartisan and completely objective role that he was expected to fill. Dayton, Ohio, installed this system in 1914, and thereafter a host of other adoptions followed, beginning with the smaller cities. Political scientists praised the city-manager movement as a promising blend of government by the expert and the political will of the majority.

Social Legislation

Aside from its political panaceas, the progressive movement experimented with basic social reforms for the underprivileged. Somewhat belatedly, following the leadership of Germany and Great Britain, one state after another enacted effective workmen's compensation laws. It had long been apparent that damage suits brought by injured workmen were usually ineffectual, largely because of the numerous legal loopholes which barred compensation. Legislators now insisted on automatic and adequate payment for injuries, regardless of cause or responsibility. Despite a false start resulting from judicial vetoes of the early state laws, persistent efforts brought victory. Nine states enacted compensation laws in 1911 alone, and most of the other states as well as the federal government itself had fallen in line by the time America entered the First World War. In other respects, however, the bold advances of northern Europe toward social security were far less successful here. Only Wisconsin adopted a system of sickness insurance, and no state went beyond creating public employment agencies in aiding its unemployed.

The social conscience of this generation was stirred by the plight of hundreds of thousands of children, some no more than seven or eight years old, who, unprotected by adequate legislation, worked long hours in field and factory. An important step forward in this sphere was taken in 1904 when the National Child Labor Committee was formed as an agency of public enlightenment. Aided by organized labor, the reformers secured the passage in most states of laws which prohibited child labor in industry, but this achievement was counteracted by the lack of enforcement. In 1916, Wilson secured the Owen-Keating Child Labor Act only to see it nullified by the Supreme Court.

President Roosevelt endorsed the movement to aid dependent children by removing such children from institutionalized orphanages and placing them in foster homes which would provide them with a normal environment. He called a White House Conference on the Care of Dependent Children in 1909 to draft the necessary program. Following this trend, President Taft in 1912 created the Children's Bureau, the first federal bureau concerned solely with child welfare. Julia Lathrop, whom he appointed as its head, thus became the first

woman to head a government agency. Miss Lathrop, a former resident of Hull House, was well prepared for this work, for she had been appointed by Governor Altgeld to do similar work in Illinois.

The increased popular interest in child welfare was attested by the public playground movement which spread quickly from the East to other areas. Baden-Powell's Boy Scout movement was introduced to the United States in 1910 and followed two years later by the founding of the Camp Fire Girls. Youthful mortality declined with the scientific application of methods of child hygiene. A juvenile court system which would rehabilitate delinquent children attracted nation-wide attention when Judge Ben B. Lindsey of Denver secured in 1901 the passage of a law establishing special court procedures for minors in Colorado. Lindsey, an idealistic but unconventional magistrate, looked upon the delinquent child as the product of an unwholesome environment for whose existence society was responsible. His efforts along these lines led him to enter politics; his fight against child labor and civic corruption in every form finally antagonized politicians in both parties. Fortunately for Denver, Lindsey managed to retain his influence for several decades.

Women, too, benefited from the aroused social conscience. Florence Kelley of Hull House, whom Altgeld appointed the first chief factory inspector in Illinois, had succeeded in 1893 in securing a factory inspection act which restricted women's hours in industry to forty-eight per week. Although this law was less far-reaching than similar ones in Massachusetts and New York, and Inspector Kelley's first report revealed gross abuses of woman and child labor, the law was assailed by the Illinois Manufacturers Association, which tested its constitutionality in *Ritchie v. Illinois* (1895). The Illinois supreme court, at that time dominated by an ultraconservative judiciary, decided that the act was an unconstitutional deprivation of the individual's freedom of contract guaranteed by the Fourteenth Amendment's "due process" clause. "What a mockery it is," commented the *Chicago Times-Herald*, "to read that the supreme court has demolished this humane, this civilizing law, on the plea that it robs the poor of their right to sell their labor as they will." Similar legislation in other states was jeopardized.

In 1903 Oregon enacted a ten-hour law for women in industry which was contested in the United States Supreme Court in *Muller*

v. Oregon (1908) and aroused wide interest. Fortunately, Oregon's chief counsel was Louis Brandeis, whose sociological rather than legalist approach established the reasonableness of legislation that restricted hours of work for women. Although the Supreme Court had decided in *Lochner v. New York* (1905) that a state law which limited working hours in bakeries was unconstitutional because it violated the rights of property and freedom of contract guaranteed in the Fourteenth Amendment, it now followed Brandeis and held that women's maternal and familial functions brought laws calling for shorter hours legitimately within the police power of the state.

This decision opened the road to other industrial legislation for women. In 1913, nine states, nearly all of them west of the Mississippi, initiated minimum wage laws for women; this move received moral rather than economic justification, for it was hoped that higher wages would help to eliminate prostitution. Further legislative assistance came during 1908-1913, when twenty states established mothers' pensions in the case of destitute or disrupted families. As administered, however, the pension system resembled institutionalized charity to such an extent that many women refused to apply for aid. A far-sighted critic, Dr. Edward T. Devine, observed at the time that only compulsory social insurance, in which pension benefits automatically accrued to every contributor, would be satisfactory.

Redistributing the Tax Burden

Tax reform was another inevitable result of the democratic progressive spirit that seriously alarmed the propertied classes. Senator Elihu Root suspected that progressivism actually meant the confiscation and redistribution of private wealth along Communist lines. Although the liberal press labeled Taft a reactionary because of his legalist outlook, in reality he was imbued with many progressive ideas. In 1909 he proposed and eventually carried through a 2 percent excise tax on corporate incomes which publicized the affairs of big business.

When Taft took office, at least thirty-six states had passed a graduated inheritance tax. The President favored a federal law to this effect, but the Senate rejected the proposal. This form of taxation, based on ability to pay, had been used during the Civil War, but President Cleveland's attempt to revive it in 1894 had been blocked

by an adverse decision of the Supreme Court in *Pollock v. Farmers' Loan and Trust Company*. The majority opinion held that the income tax measure involved a direct tax and hence was unconstitutional since such taxes should be apportioned among the states in accordance with the Constitution. Backed by the liberal elements of both parties and confident that the high court would reverse its decision, Senator Joseph Bailey, a Democrat of Texas, attempted in 1909 to revive the movement for an income tax law. But President Taft, to whom the Supreme Court was sacred, was able to block Bailey by forcing standpat Republicans to accept his own proposal for a constitutional amendment that would permit Congress to enact an income tax law. Thus, on February 25, 1913, after the requisite number of states had ratified it, the Sixteenth Amendment empowering Congress to impose income taxes without apportionment among the states became law.

Socialist Movements

Many moderates as well as extremists of the period before World War I were dissatisfied with piecemeal reform—the pragmatic method of progressivism—and demanded that society be remolded along Socialist lines. The thriving European Socialist movement and the philosophical absolutes of Marxism made both native and foreign converts in most American industrial centers. Daniel De Leon, a former Columbia University lecturer whom Lenin praised later as “the greatest of modern socialists,” joined the Socialist-Labor party in 1890, became its leader, and sought to wean the labor movement away from its philosophy of compromise as expressed in Gompers’ “pure and simple” craft objectives of better wages, hours, and working conditions. Attacking the leaders of the American Federation of Labor as “labor fakers,” he proposed the overthrow of capitalism in favor of a Socialist state in which trade-union syndicates would be the primary political and social units. With this purpose in mind, he aided the organization of the Industrial Workers of the World (IWW), whose major goal was “one big union.” Intellectually, however, he was too doctrinaire to be able to win any considerable following. In the presidential elections from 1900 to 1912 the Socialist-Labor party maintained a uniform average of little more than thirty thousand votes.

Far more effective in gathering protest votes than De Leon's followers was the Socialist party of America, organized by Eugene V. Debs of Indiana. Formerly secretary of the Brotherhood of Locomotive Firemen, a conservative craft union, Debs by the late nineties had become convinced that labor was facing a reactionary alliance between employers, politicians, and the press, and hence his philosophy became more militant. During the nation-wide Pullman strike of 1894 he headed the American Railway Union, a powerful industrial organization, but was sent to jail for ignoring Attorney General Olney's antistrike injunction. His admiration for Altgeld, who protested publicly against federal intervention in the Pullman strike, led Debs to aid the Democrats in the critical election of 1896. This experience, which confirmed his belief that liberal reform was not enough, converted him to socialism.

Even in his socialism, however, Debs retained many of his reformist ideas. The Socialist party, which he founded in 1897 as the Social Democratic party, supported a Populist platform whose planks, it was said, were shamelessly stolen by Roosevelt and the Progressives. Perennial standard-bearer of his party, Debs polled 94,768 votes for President in 1900, and in each of the next two elections he received over 400,000. In the exciting election of 1912 he won 897,011 votes, despite the progressive appeal of both Roosevelt and Wilson. Debs helped De Leon in organizing the IWW, but his desire to achieve socialism through democratic processes soon estranged him from his fiery co-worker and the sabotage tactics employed by the IWW. Although the Socialists never won a single vote in the electoral college and left the rural South and the craft-conscious American Federation of Labor practically untouched, by 1912 there were Socialist officeholders in more than three hundred urban communities.

Progressivism in the South

In the states of the old Confederacy the progressive movement displayed a curious blend of agrarian reform idealism after the Populist pattern and a crude demagogic emphasis on white supremacy. The disfranchisement of the Negro, especially after 1890, tended to weaken the political power of the mercantile- and industrial-minded Bourbons. Not only did these post-bellum aristocrats maintain a paternalistic policy toward the Negroes which contrasted sharply with

the competitive attitude of the poorer white classes, but they also found a valuable political instrument of control in the black vote. Senator Benjamin R. Tillman of South Carolina, who in the early nineties led the rural "masses against the classes" to dethrone the Charleston conservative leaders, proved to be a strong ally not only of Bryan and Altgeld but even—despite party differences—of the Republican trust buster, President Roosevelt. This revolt of small farmers resulted in Jeff Davis' election as governor of Arkansas. Davis, another advocate of white supremacy, prosecuted and legislated against the monopolies, restricted child labor, demanded pure food laws, and extended public education. Regardless of their Democratic affiliation, he and his followers ardently supported Roosevelt's attack on bigness. This group of "demagogues"—nearly all of them were college men—included Governor James K. Vardaman of Mississippi, who successfully fought against state corruption and corporate privilege on behalf of the poorer classes of whites.

This type of progressivism lowered the status of the Negro. The "demagogues" in some states tried to limit education for Negroes on the basis of the actual taxes contributed by them and to make the informal practice of racial segregation mandatory by law. In 1915 the Supreme Court voided the notorious grandfather clause as constituting an attempt to disfranchise the Negro by reestablishing conditions that existed prior to the adoption of the Fifteenth Amendment, but the same end was accomplished by the white primaries that were soon thereafter instituted in the South. Reflecting more truly the liberal spirit of the time was Charles B. Aycock of North Carolina, who actually was elected governor at the opening of the century on a platform that demanded education for the Negro as well as the white; but he too wanted Negroes to be disfranchised.

Enlightened southern liberals like Walter Hines Page of North Carolina, later Wilson's ambassador to England, lashed out at the "professional Southerners" who made political capital of sectional prejudices. In his blunt address at Greensboro in 1897 on "The Forgotten Man" he demanded the elimination of mass illiteracy and rural poverty in the South. In the decade following Rockefeller's establishment of the General Education Board in 1903, Page directed its extensive work. In addition to its interest in the nation as a whole, the Board sought to raise the level of rural life and education in the

South through scientific demonstrations to stimulate farm productivity, educational surveys of rural areas, contributions to medical schools, and endowment funds for white and Negro colleges; its aid to Negro education totaled almost \$700,000 by 1914. North Carolina under Governor Aycock experienced a genuine educational renaissance which spread at a somewhat slower pace to the other southern states.

The Revolution of 1910

On the national scene, a new political party was taking shape as a group of progressive-minded Republican Senators and Congressmen, under the leadership of Senator La Follette, fought to promote popular control of our economic and political life. More than any other issue, the Payne-Aldrich Tariff of 1909 revealed the ideological cleavage between men like La Follette and Albert B. Cummins on the one hand and old-line leaders like Nelson W. Aldrich and Speaker Joseph Cannon on the other. The Insurgents, as the La Follette men were called, were determined to prevent excessive protection to favored interests. Senator Beveridge of Indiana, a moderate protectionist, grew increasingly impatient at the Old Guard's power to block vital social legislation. For example, Beveridge's defense of a child labor law was outflanked by the substitute proposal made by Lodge, the Senator from industrial Massachusetts, to outlaw child labor in the District of Columbia—where there were practically no factories!

A major Insurgent victory over the Old Guard came with the "Revolution of 1910," which deprived the Speaker of the House of his dictatorial powers. The Speaker's position had developed into one of arbitrary control, since he held the right to appoint all committees, even the conference committees and the all-powerful Committee on Rules. At the same time Congress had become so involved in complicated technical problems arising out of the new social legislation and "big government" that it had become little more than "committee government." Conservatives took refuge against reform behind strong Speakers like Thomas (Czar) Reed in President Harrison's time and now Joseph Cannon, whose power was second only to that of the President himself. Progressive-minded statesmen were convinced that this paladin of the Old Guard had to be broken before they could advance basic social reform.

Profiting by the Democrats' congressional victories of 1910, the House Insurgents combined with them to overthrow Uncle Joe Cannon. A young liberal Republican, George W. Norris of Nebraska, opened the attack by proposing that the Rules Committee be enlarged and elected by the House rather than chosen by the Speaker. Not only should this key committee select its own chairman, but the Speaker was not even to be eligible as a member. (The following year, the House stripped the Speaker of his power to select the regular committees.) In an angry debate that lasted three days, seasoned politicians wept at the thought of Cannon divested of his committee powers, but the Insurgents won. Although the American Speaker of the House lost in this way an iron rein over lawmaking, he did not become a mere nonpartisan presiding officer like his English counterpart. He was yet to exercise a good deal of power as a party leader, but the days of unchecked Cannonism had ended.

Roosevelt and the Progressive Party

Meanwhile Roosevelt had returned as a hero from his adventures in the African jungle. He had been honored by ovations and by impressive receptions tendered him by the rulers of the Old World. With unerring political insight he saw the seriousness of the breach which Taft had permitted to arise between the administration and the swelling progressive forces. At first he coöperated with his protégé, but by 1910 he professed to believe that Taft was well-meaning but had "no instinct of leadership." Quick to resent any personal slights, he expressed anger over Taft's dismissal of Roosevelt's close friend, Chief Forester Gifford Pinchot, and felt even more disturbed by Taft's criticism of the former President's decision in 1907 which allowed the United States Steel Corporation immunity from the anti-trust laws while it absorbed the vast Tennessee Coal and Iron Company.

Meanwhile Roosevelt and a good number of other disillusioned "trust busters" were reading with close interest the reform theories of Herbert Croly, whose book, *The Promise of American Life*, appeared at the end of 1909. Croly argued that the free competition of Jefferson's day was a myth and that the time had come to drop the older liberal idea of "that government is best which governs least." What was needed was a strong government armed with sufficient

power to regulate the entire economy in the general interest. The central supervision and regulation of business, unions, and other powerful groups would protect each individual from the entrenched power of minority interests. Croly showed the influence of the current Bismarckian ideas in Germany, which were producing social security legislation and paternalistic regulation by the state over business. While Wilsonian liberals disliked tariffs and bigness in industry, Croly accepted both.

From Croly Roosevelt borrowed those principles that became the essence of the New Nationalism. On August 29, 1910, at Osawatimie, Kansas, where John Brown had attacked the proslavery men, Roosevelt explained the New Nationalism. "I stand for the square deal," he declared, going on to say that this meant more than fair play under the prevailing rules. "I stand for having those rules changed so as to work for a more substantial equality of opportunity and reward." He asserted: "The New Nationalism regards the executive power as the steward of the public welfare. It demands of the judiciary that it shall be interested primarily in human welfare rather than in property." He gave to an ancient ethical ideal a socialistic ring when he said, "The man who wrongly holds that every human right is secondary to his profit must now give way to the advocate of human welfare, who rightly maintains that every man holds his property subject to the general right of the community to regulate its use to whatever degree the public welfare may require it." Reflecting on this speech shortly afterward, Roosevelt feared that he had gone too far.

Roosevelt was no charter member of the new Progressive party, which originated with the National Progressive Republican League formed by Robert La Follette on January 21, 1911. Privately, Roosevelt referred to the third-party organizers as "ultra-extremists." Yet the new party was not far from Herbert Croly's principles of progressivism, though it put much more emphasis upon the devices of "direct democracy" than Croly cared for. The emphasis was on popular government—the direct election of Senators, the direct primaries, the initiative, referendum, and recall, and a "thoroughgoing corrupt practices act." However, these were to be the tools for more effective government regulation of business, banking, and industry and for the easier passage of progressive legislation. Roosevelt gave this pro-

gram only a qualified endorsement. Actually, perhaps unwittingly, he was undermining La Follette's leadership of the progressive wing of the Republican party by his ambiguous position regarding the presidential nomination in 1912 and his persistent attempts to keep himself in the public eye.

During January, 1912, Roosevelt was active behind the scenes in crystallizing the growing sentiment that he make a preconvention race for the Presidency as candidate of the progressive Republican forces. His friends agreed with him that his nomination should be urged in a petition signed by seven or eight governors. Roosevelt displayed such alacrity that his reply, in which he offered to accept the nomination if the citizens demanded it, was made public before the petition itself. This maneuver so distressed Taft that he lashed out three days later at the "political emotionalists or neurotics"—this obviously included Roosevelt—who had so far lost their sense of proportion as to want to make government depend on the "momentary passion of a people necessarily indifferently informed"; Taft here referred to the initiative, referendum, and recall. "My hat is in the ring" was Roosevelt's reply two days later in Cleveland.

The final break with his former friends, especially Root, Stimson, Taft, Lodge, and Knox, came with his speech, "A Charter of Democracy," before the Ohio Constitutional Convention at Columbus on February 21, 1912. Advising this body that it must create sufficient instruments of popular control to enable the people to enact all the social legislation necessary, Roosevelt went so far as to recommend the popular recall of judicial decisions as preferable to the popular recall of judges—although the latter was also desirable—since good judges sometimes made bad decisions.

Taft and his circle were aghast at this assault on the judiciary. The administration's position on the recall of judges and judicial decisions had been clarified as recently as 1911, when the Arizona constitution-makers had inserted such a provision into their organic law. Congress, at Taft's behest, compelled the state to strike out this article as a preliminary to admission to the Union. Arizona yielded and was admitted in February, 1912. (By November, it was to assert the privilege of a sovereign state to retain the offending clause.) "A popular government," Taft declared in his veto of the Arizona Enabling Act in 1911, "is not a government of a majority, by a majority, for a

majority of the people. It is a government of the whole people under such rules and checks as will secure a wise, just, and beneficent government for all the people." An essential ingredient of such government, he felt, was "an independent and untrammelled judiciary."

The Republican convention which met at the Chicago Coliseum on June 18, 1912, was dominated by Taft's delegates despite popular preference for Roosevelt. Taking advantage of the presidential preferential primaries, Roosevelt swept every state but the two which La Follette received; of the total of 388 delegates on the primary ballots, Roosevelt won 281 to Taft's 71. Since the Republican rank and file obviously preferred Roosevelt to Taft, it was clear that the ex-President's nomination was prevented only by the administration steam roller, in whose effective operation Roosevelt himself had played no small part in 1904 and 1908. Regular Republicans refused to alter the existing rules in favor of an antiadministration man and adhered to the historic procedure used in convention nominations. Consequently, the all-powerful Republican National Committee, which Roosevelt had appointed in 1908, remained loyal to Taft as titular head of the party and adopted a routine procedure which unseated many of the Roosevelt delegates. It is doubtful whether the ex-President could have won the nomination even if he had retained all the contested seats. Taft's victory was a foregone conclusion in the first trial of voting strength, when Root, who was now supporting the President, was voted temporary chairman. Taft, nominated at his request by the urbane Warren G. Harding of Ohio, received 561 votes, while Roosevelt obtained 107 and La Follette 41. The protégé had defeated his patron.

"I'm feeling like a bull moose!" Roosevelt told an admiring crowd in Chicago during his struggle with Taft. From this picturesque phrase was derived the emblem of the newly formed Progressive party which met in convention at Orchestra Hall, Chicago, on August 5. The keynote address delivered by Albert J. Beveridge, chairman of the convention, before ten thousand enthusiastic listeners assailed the ineffectiveness of the existing parties and the domination of an "invisible government." The Progressive party, he asserted, represented a liberal movement "to make little business big, and all business honest, instead of striving to make Big Business little, and yet letting it remain dishonest." The next day Roosevelt himself ad-

dressed the convention, which seemed to be animated by the spirit of a religious revival. His speech, "A Confession of Faith," elaborated on the ideals of direct democracy held by the progressive movement and attacked the major parties as boss-ridden and privilege-controlled. Summarizing the record of his presidential war against monopoly, he called for the creation of a special administrative commission to enforce the Sherman Antitrust Act. In an emotional atmosphere of hymns and waving banners the Progressives nominated Roosevelt for President and Hiram Johnson of California for Vice-President.

The Progressive platform, like that of its Socialist rival, epitomized the prewar spirit of social revolt and in the most sweeping terms reaffirmed practically every reform in the field of labor, government, conservation, and currency which had absorbed the attention of that generation. Although George Perkins, one of the directors of the monopolist International Harvester Company and financial "angel" of the Progressives, managed to have the antitrust plank withdrawn, enough remained of the party's objectives to offer such forward-looking proposals as a thoroughly modern system of social insurance, minimum wage standards for women, and the protection of labor against the injunction. "Unhampered by tradition," read the platform, "uncorrupted by power, undismayed by the magnitude of the task, the new party offers itself as the instrument of the people to sweep away old abuses, to build a new and nobler commonwealth." Nevertheless, the Progressive party's Republican origin revealed itself in the support given to the protective tariff.

The Nomination of Wilson

Hopelessly divided between Roosevelt and Taft, the Republican schism of 1912 insured the victory of the Democratic nominee. The beneficiary was the Democratic standard-bearer, Woodrow Wilson of New Jersey, marked by fate for the most crucial tasks in American history since the Civil War. An adherent of the liberal Jeffersonian school, Wilson was endowed with a seriousness of purpose and a moral fervor that suggested his Calvinist Presbyterianism and his Scotch-Irish ancestry. He was born in 1856 in Staunton, Virginia, the son of a scholarly minister. His early life was spent in Columbia, South Carolina, and in nearby Augusta, Georgia, communities which

had ardently supported slavery and secession before the Civil War and fiercely resented the abuses of Reconstruction. Wilson graduated from Princeton University, then a Presbyterian citadel, in 1879, and took a degree in law at the University of Virginia Law School. Finding the law both unremunerative and distasteful, he enrolled for graduate work in political science at Johns Hopkins University. His political ideals during this period were crystallized in his doctoral dissertation, *Congressional Government* (1886), which revealed his admiration for Great Britain's parliamentary system, especially the political leadership by which Cabinet government controlled the diverse impulses of the legislators. He condemned the system of divided responsibility inherent in the American theory of separation of powers and upheld the idea that the President, not a leaderless Congress, should formulate and guide legislation. As a state and national executive, Wilson later attempted to realize the major thesis of *Congressional Government*.

After an academic career of teaching, research, and the writing of books on American history, Wilson first attracted political attention in 1902 when he became president of Princeton University. His insistence on higher intellectual standards for the college and his demand that student life be democratized won favorable publicity outside the university, if not altogether within it. His vigorous personality attracted the attention of George Harvey, wealthy publisher of the conservative *Harper's Weekly*, who hoped that the moderate reform spirit of this college president might be an antidote to Bryan's radical leadership of the Democratic party. At the behest of Harvey and other powerful conservatives, the New Jersey machine secured Wilson's election to the governorship as a necessary political apprenticeship for the Presidency.

During the 1910 campaign in New Jersey it was clear that Wilson had moved intellectually to the left and that his hitherto critical attitude toward Bryanism and social reform was being replaced by a more sympathetic outlook. To the consternation of his backers, he showed such independence in his new zeal for effective reform that he quickly antagonized his former supporters, attracting instead the younger, more liberal members of his party. During his first year as governor he dethroned the state boss and proceeded to bring backward New Jersey abreast of the progressive states; this program, how-

ever, was blocked by a hostile Republican majority the following year. The Employers' Liability Act which was passed during his term of office strengthened the provision of compensation to injured workmen and their families by the state. The Corrupt Practices Act was designed to remove the worst electoral abuses, and the Direct Primaries Act brought New Jersey into the nation-wide movement for the popular control of nominations. A public utilities law providing for state regulation was also passed; its purpose was to weaken one of the most flagrant sources of political corruption in New Jersey. Wilson's insistence on maintaining leadership of the legislature as long as his party held control showed tangible results in spite of his brief term in office. By 1912 he had become a national figure. Socially-minded citizens were greatly pleased by his speeches, which exalted the role of the states as the "political laboratories of a free people"—the pragmatic ideal of progressivism.

At the Democratic national convention which met on June 25 in Baltimore, Bryan fought to nominate a progressive candidate in spite of the upsurge of conservative sentiment which confidently expected victory in any event because of the Republican split. Speaker of the House Champ Clark of Missouri had apparently won Bryan's support, but this was withdrawn when it became known that the eastern conservatives who had backed Alton B. Parker in 1904 were sponsoring Clark. Bryan regarded this earlier contest as a war between the Bourbon-Tammany machine and the western liberal forces. Wilson was no "dark horse" candidate; on the contrary, he was supported with every expectation of success by such sophisticates as Roger Sullivan, the Democratic boss of Illinois, as well as by the idealists. When the nomination struggle narrowed down to Clark and Wilson, the Tammany delegation's switch from Harmon to Clark made Wilson's chance of success look black indeed.

By the next session the picture had changed. Bryan prepared a bombshell of his own in a resolution which declared the convention to be opposed to any candidate "under obligation to J. Pierpont Morgan, Thomas F. Ryan, August Belmont, or any other member of the privilege-hunting and favor-seeking class." Fearful of the effect of an adverse vote on public opinion, the delegates accepted the resolution 883 to 201 and thus by clear implication weakened the Clark forces. Sullivan's success in shifting the Illinois vote from Clark to

Wilson insured victory for the governor of New Jersey. The Democratic party's requirement of a two-thirds majority for a presidential candidate was a major factor in defeating Clark's nomination. In the balloting for Vice-President, the convention chose Thomas R. Marshall, governor of Indiana.

The progressive wing's victory was reflected in the Bryanesque quality of the party's platform, which denounced various monopolist practices in business and finance and provided for the adoption of La Follette's plan of basing rate fixing on the valuation of a railroad's physical assets. It condemned the use of the labor injunction and promised currency reform and federal assistance in extending farm credit. Most important from the Democratic point of view was the tariff plank, which called for low duties and assailed the high rates under the Payne-Aldrich Act. As far as foreign policy was concerned, the Democrats reëchoed the anti-imperialist sentiment current in 1900 and pledged Philippine independence as soon as it was practicable.

The Bull Moose Campaign

Liberals were often at a loss to tell the difference between Roosevelt's New Nationalism and Wilson's New Freedom, but both candidates seemed certain that they represented completely opposed philosophies. Croly's ideas of a strong reformist government supervising industry gave the impression that the Progressive party was merely an agent of the trusts. Louis Brandeis, who developed the essence of Wilson's New Freedom in suggestions submitted to the Democratic candidate, defined this position emphatically: "Competition can be and should be restored in those branches of industry in which it has been suppressed by the trusts; and . . . if at any future time monopoly should appear to be desirable in any branch of industry, the monopoly should be a public one—a monopoly owned by the people and not by the capitalists." To him and to Wilson, the New Nationalism was based on the frank acceptance of monopoly as legal, subject to the control of a powerful government. Like Jefferson, they rejected bigness in either government or industry unless absolutely essential to protect the individual. They were unwilling to accept the belief of the Rooseveltians that concentration of business was inevitable. Neither side of course was committed to nineteenth-century

laissez-faire ideas, for both believed in major social welfare legislation. On the tariff, there was a clean-cut difference, for the Progressives accepted a protective tariff written by George Perkins, affiliated with United States Steel and International Harvester and also a partner of Morgan. Perkins had long written that competition was over and that an era of federal supervision over large corporations had begun; his campaign funds had been a major resource of the new party. Wilson insisted upon the traditional Democratic hostility to high tariffs.

In view of his almost certain defeat, Taft did not feel inclined to make a strenuous fight and conceded the field to his opponents early in the campaign. Although he considered Wilson cold and dictatorial, even superficial, he preferred him to Roosevelt.

Election day brought victory to Wilson, but as a minority President, for he won approximately 6,286,000 votes of the over fourteen million cast. Roosevelt's vote, 4,126,000, was a tribute to his personal popularity, for no professional party machine had aided his campaign. Taft trailed behind with 3,484,000 votes. Wilson, however, made a far better showing in electoral votes, for he had 435 against Roosevelt's 88 and Taft's forlorn 8, the latter representing only Vermont and Utah. Equally pleasing to the President-elect was the fact that his party won control of both houses of Congress, thus assuring him favorable legislative support.

The hungry Democrats, who so long had constituted the opposition—the party's last victory had occurred in 1892 with Cleveland's election—were now enjoying the fruits of power. But analysis of the election returns made the Republicans feel confident that the Wilson administration would be only a brief interim in the normally Republican control of the federal government. As far as the progressive movement was concerned, the election of Wilson meant the perpetuation of the reform spirit rather than the beginning of an uncharted social revolution. The future hopes of the Progressive party itself were doomed when Roosevelt observed privately, "There is only one thing to do and that is to go back to the Republican party."

Chapter 6

TOWARD THE NEW FREEDOM

The Wilson-House Regime

Admirers of the American educational system could take heart as Woodrow Wilson became President, for no man with better academic qualifications had ever attained this high office. Enjoying a national reputation in his own right as a creative historian and political scientist, Wilson had indeed forged the intellectual tools most serviceable to a President; but for a man who believed in ruling rather than in merely reigning, these gifts were none too much. His limited political experience compelled him to rely heavily on the advice of his shrewd private secretary, Joseph Tumulty, and even more on the extraordinary Colonel Edward M. House, a former banker and cotton planter of Texas, and long a stanch supporter of Bryan. Critics were wont to compare Wilson's Colonel House with Richelieu's unobtrusive Father Joseph, who played so large a part behind the scenes in French statecraft. Even Roosevelt's dependence on Root offered only a faint parallel to the Wilson-House friendship. "Mr. House is my second personality," Wilson was reported to have said. "He is my independent self. His thoughts and mine are one."

Wilson's democratic ideals as president of Princeton and governor of New Jersey had attracted House's own idealistic nature and awakened his desire to attach himself to this rising star. In 1911 House wrote anonymously a political novel, *Philip Dru: Administrator*, which furnished a model of statesmanship for Wilson. Dru, a West Point graduate who was unable to enter active military service be-

cause of ill health, led to victory an armed revolt against entrenched privileged groups. As a beneficent dictator during the revolutionary transition period, he destroyed the "credit trust" by enacting a flexible currency law and curbed the trust movement by imposing a corporate income tax and abolishing the protective tariff. In language strangely anticipatory of Wilson's Clayton Act, Dru said, "Labor is no longer to be classed as an inert commodity to be bought and sold by the law of supply and demand." Hence labor was benefited by far-reaching social legislation. To crown these accomplishments, Dru founded a league of nations based primarily on Anglo-Saxon solidarity. As Wilson's Secretary of the Interior, Franklin K. Lane, later observed, "The President comes to 'Philip Dru' in the end."

Bryan was chosen as Secretary of State because of his party influence and his political services to Wilson in 1912, rather than because of his knowledge of diplomacy. William G. McAdoo of New York, a liberal financial leader who as an "original" Wilson man had helped to promote the President's victory, became Secretary of the Treasury. After an unsuccessful attempt to secure Louis D. Brandeis as Attorney General, the President and Colonel House turned to James C. McReynolds of Tennessee, at that time regarded as progressive because of his energetic prosecution of the Tobacco and Coal trusts. McReynolds' militant reformism evidently evaporated after 1914 when Wilson appointed him to the Supreme Court, for Brandeis, whom the President also elevated to the high court in 1916, frequently found himself in opposition to Justice McReynolds in defending ideals once championed by the New Freedom. Wilsonian disciples in 1933 regarded McReynolds as an ultraconservative, the chief foe of the New Deal in the judiciary.

From the beginning Woodrow Wilson, following his cherished British parliamentary ideals, acted on the assumption that the election of 1912 was a popular mandate to promote social reform. With this solemn purpose in mind, he delivered an inspiring inaugural address and impressed many people with his Calvinist belief in a divine "calling" for a high task. "There can be no equality of opportunity, the first essential of justice in the body politic," he said, "if men and women and children be not shielded in their lives, their very vitality, from the consequences of great industrial and social processes which they cannot alter, control, or singly cope with." He

asked for a reduced tariff to free the channels of world commerce, a stable banking system, protective labor laws, and an active conservation program. "This is not a day of triumph," he concluded, "it is a day of dedication. Here muster, not the forces of party, but the forces of humanity. . . ."

Reversing the Protectionist Trend

Anxious to fulfill his ambitious program, Wilson attempted to arouse public interest by personally addressing Congress, thus reviving a custom dormant since the Presidency of John Adams. He called for a special session to meet in April, 1913, and in a brief but eloquent message appealed for the abolition of a tariff that was based on pressure exerted by various private interests. Only with difficulty was he dissuaded from "purging" the obstructionist members of vital committees; nevertheless, administrative patronage, now dispensed by Colonel House and Postmaster General Burleson, was held as a threat against Democratic opponents of his legislative program. To forestall the influence of industrial lobbies on wavering Congressmen the President denounced such groups in a press release: "Washington has seldom seen so numerous, so industrious or so insidious a lobby." In decided contrast to Taft's inept conduct during the sessions of Congress that produced the futile Payne-Aldrich Tariff Act, there was no mistaking Wilson's determination to exert the full strength of his leadership at the outset.

Although Oscar Underwood of Alabama, chairman of the pivotal Ways and Means Committee that was entrusted with the House tariff bill, had been a presidential aspirant at the Baltimore convention, he cooperated warmly with Wilson in securing a genuine low-tariff law, for he had long supported downward tariff revision. Bryan's political experience also proved a distinct asset for the administration. The resulting Underwood-Simmons Tariff Act of 1913 drastically reduced existing tariffs; if World War I had not intervened, this law might have become the keystone of a scientific tariff policy by reducing the pressure of private interests for protectionist favors. The average rates were reduced by a third, but many of the reductions applied to foodstuffs on which foreign competition was negligible. The free list now covered such important commodities as wool and sugar, besides various everyday necessities. Free trade with the Philippines was

granted, and the Cuban reciprocity agreement, so vital to that island—and profitable to American-owned business there—was renewed. Wilson also created a Tariff Commission in 1916 to undertake a fact-finding study of tariff problems.

To Cordell Hull, a young Democrat of Carthage, Tennessee, and a member of the Ways and Means Committee, was delegated the task of preparing an income tax clause for the Underwood Tariff Bill. The Sixteenth Amendment had become law shortly before Wilson's inauguration, and the Democrats chose to offset the probable loss in revenue due to the lowered custom duties by enacting an income tax law. Hull believed in the taxation ideal of the liberals, namely, a tax based on ability to pay rather than on the older basis of payment according to personal benefits received. His graduated income tax called for a 1 percent levy on incomes of \$3000 or more in the case of single individuals and \$4000 and over for married men; incomes of \$2000 and over were subject to graduated surtaxes. Hull had worked out this schedule after studying European experience with income taxes. If war should come, an efficient revenue-producing system was at hand.

Birth of the Federal Reserve System

When Congress prepared to adjourn for a summer recess in 1913, President Wilson compelled action on his Federal Reserve Bill by threatening to call a special session despite the oppressive heat of a Washington midsummer. With Bryan in his Cabinet, there was no lack of Populistic pressure for a drastic reform of the banking system, although Wilson had belonged to the Cleveland gold wing of the party at the time the Nebraskan was running for President on a free-silver platform.

Both parties agreed that a federal reserve system was necessary but disagreed upon philosophy and methods. No one could deny that the currency had been inelastic and erratic for generations; that is, the supply of money had failed to expand or contract in harmony with business and agrarian needs. The unsatisfactory National Banking Law of 1863, which then served as the basis of the banking system, had permitted eligible national banks to increase their note currency only in proportion to their purchase of government bonds. While this was an excellent way to sell bonds to the banks, it scarcely pro-

vided a flexible currency. At various times, high prices for bonds prevented the banks from expanding their currency as needed. So badly did this system of note issue fail to keep pace with the economy that during the panics of 1893 and 1907 it was necessary for the bankers to obtain clearing-house certificates to settle interbank balances and relieve conditions.

Meanwhile a homespun economics of inflation had arisen from the distress of the farm debtors, who suffered from the declining prices of the post-Civil War generation. Greenbackers of the 1870's and their Populistic successors who wished the unlimited coinage of silver fought for inflation until overcome at the end of the century by the gold discoveries in the Yukon and South Africa. But this relief in the currency supply did not insure an elastic currency under changing conditions. In the panic of 1907 many major bankruptcies could have been averted if it had been possible to convert acceptable but "frozen" commercial assets into currency at the critical time. Another complaint of the debtor farming class was the fact that credit sources seemed to dry up in the East long before the Mississippi was reached, thus leaving needy agriculturalists without funds to move their crop. For this reason, among others, there was a strong western demand for a decentralized banking system.

The defeat of Taft crushed the hope of Senator Aldrich that his favorite banking measure might pass. The Aldrich bill of 1912 proposed the establishment of a central reserve association with fifteen branches empowered to issue bank notes to member banks against rediscounted commercial paper. It stressed not only centralized banking but also undisputed control as well as ownership by private bankers. This plan was steeped too deeply in the conservative financial tradition of Alexander Hamilton to please the Democrats.

Historically the party of Jefferson and Jackson was too intimately allied with the agrarian debtor outlook of the western and southern farmers to yield to a centralized banking system controlled by private bankers. Andrew Jackson had found it simple in 1832 to launch a popular war against the "Monster," as he called the Whig-dominated Bank of the United States and its branches. The fall of this centralized banking system at that time had been a great Democratic triumph. But subsequent banking expedients had failed to solve the debtor's dilemma.

Carter Glass of Virginia, chairman of the House Banking and Currency Committee, had begun working with the President-elect in 1912 on a federal reserve bill. They had the exceptionally able guidance of Professor H. Parker Willis, a national authority in this field, and the benefit of the numerous monetary studies left by Aldrich's National Monetary Commission. Bryan and the Populistic extremists were placated by a provision in the ensuing Glass-Owen bill that the note-issuing power would be entrusted to the government rather than the private banks. A strict party vote proved sufficient to carry the measure through for Wilson.

The Federal Reserve bill became law on December 23, 1913. In keeping with the Jacksonian tradition, the law created a decentralized banking system consisting of twelve regional banks. The government controlled the coordinating body, the Federal Reserve Board, whose members originally included the Secretary of the Treasury, the Comptroller of the Currency, and five members appointed by the President with senatorial confirmation. However, within each of the twelve reserve districts, control rested with a regional board chosen by the bankers who provided the capital of the district bank.

One of the chief methods used to assure a flexible currency was the rediscounting system. Each member bank could expand its currency supply by presenting eligible commercial or agricultural paper to the local Reserve bank for rediscounting. Thus the bankers obtained Federal Reserve notes which were redeemable in gold by the district Reserve bank issuing them or by the Treasury. Currency expansion or contraction was controlled primarily by the district banks, which were authorized to lower or raise the rediscount rate. This method would stimulate or retard the issuance of Federal Reserve notes by making it profitable or not for member banks to rediscount their commercial paper.

On November 16, 1914, the "bankers' banks," as the Reserve institutions were in fact, opened their doors for business. Even the staunch Republican newspaper, the New York *Tribune*, praised the new system when it said: "President Wilson has brought his party out of the wilderness of Bryanism." During the First World War the Federal Reserve System enhanced its prestige by successfully preventing the general suspension of payments characteristic of earlier crises and by effectively channelizing government efforts to finance the war.

Serious defects in the banking legislation of 1913 had become apparent by the time Franklin D. Roosevelt became President, but amendment rather than repeal provided the remedy.

Penalizing Monopoly: The Clayton Act

Shortly after the tariff and banking reforms had been consummated Wilson again came before Congress, on January 20, 1914, to demand special antimonopoly laws. Public opinion was prepared for sweeping changes in trust control, the need for which had been emphasized in the campaign of 1912. Sensational disclosures regarding the "money power" exercised by a few eastern bankers had been made by the Pujo Committee shortly before Wilson's inauguration. The keen cross-examination of this House committee's attorney, Samuel Untermyer of New York, brought out startling facts that suggested the concentration to an unprecedented degree of economic control in relatively few hands, especially in the case of industry, credit, and transportation.

Although the extremely sinister implications which this committee left in the public mind were far worse than the facts actually warranted, fair-minded critics felt that the future of democracy was imperiled by this trend toward centralized ownership and control of the nation's wealth. For example, the Pujo Committee showed that three New York financial institutions—Morgan and Company, the First National Bank, and the National City Bank—together held 341 directorships in 112 corporations of various types whose resources totaled \$22,245,000,000. This financial pyramid had been made possible largely by interlocking directorates, especially in potentially competitive firms, and by outright consolidation of competitors. Thus Morgan directors sat on the boards of leading financial, industrial, and commercial companies and presumably shaped their policies—at least so the committee inferred—in the interests of the House of Morgan.

In a conciliatory gesture to industry Wilson declared, "The antagonism between business and Government is over." Both groups, he insisted, believed in the philosophy of competition. To safeguard this ideal he proposed to prohibit interlocking directorates among large corporations. Instead of dismembering bigness itself—which now appeared to be futile—he would outlaw certain well-defined

monopolist practices "item by item." To help the businessman who was discouraged by the ambiguities in the Sherman Antitrust Act he would clarify this legislation, and he would make the penalties to be imposed on the unscrupulous equally clear. In line with Brandeis' oft-repeated complaint, Wilson pointed out that the prevailing judicial practice prevented an injured firm from obtaining damages in an antitrust suit because it was required to establish the facts anew despite the proofs already presented by the Attorney General. Moreover, the statute of limitations, which determined the time limit for prosecution, was frequently invoked after the government completed its litigation. Wilson asked for the elimination of all obstacles to recovery on the part of injured parties. Most important in the interest of effective antitrust legislation, he believed, was the creation of a federal trade commission with powers analogous to those of the powerful Interstate Commerce Commission.

Brandeis' ideal of competition expressed in Wilson's program had already taken tangible form in the bills prepared by Senators La Follette and Newlands, among other progressive-minded legislators. Although Brandeis was unable to participate as actively in the committee hearings on the President's legislative proposals as he had planned, his numerous articles in *Harper's Weekly* had accurately forecast the essential features of the Clayton Antitrust Act and the Federal Trade Commission Act which resulted. In fact, in "The Solution of the Trust Problem," which appeared in this periodical on November 8, 1913, Brandeis anticipated practically every leading idea of the President's special message on monopolies. Little wonder, therefore, that Brandeis could publicly praise Wilson's program for regulating competition as inherently superior to the trust-busting ideas of Roosevelt and Taft.

Wilson's plan of assailing bigness by penalizing specific monopolist practices rather than dissolving huge enterprises was already widely supported. Many Supreme Court decisions had called attention to certain "unfair competitive methods" apart from actual monopoly. Brandeis had long maintained that natural economic forces favored an efficient moderate-sized business unit and that the abnormally swollen units characteristic of the period were made possible by artificial advantages that violated competitive ethics. If the government outlawed the unfair practices upon which monopoly rested, he be-

lieved that the inherent inefficiency of bigness would prove its undoing and there would be no need to resort to wholesale dissolutions. Small businessmen, especially middlemen, wanted a halt put to the tyrannical domination of certain manufacturers who were enabled by "tying clauses" to compel a retailer to accept an entire line of goods in order to purchase the particular item he ordered. Retail price cutting aroused the ire of many manufacturers and some retailers, but opinion on this practice was sharply divided. Another interested group was the American Federation of Labor, which had assisted the Democrats in 1908 and 1912; it demanded the exclusion of labor and farmer organizations from the operation of the antitrust laws.

Curiously enough, the monopoly-minded also expected to derive benefits from Wilson's program. Judge Gary of the United States Steel Corporation hoped that a federal trade commission would assist in stabilizing production and fixing prices. Well-established monopolies virtuously objected to cutthroat competition, and even prospective monopolists thought that such a commission would confer legal immunity in advance upon their projects. Business also objected to the uncertainties inherent in the Supreme Court's rule of reason, which made the definition of "good" and "bad" trusts in specific cases wholly unpredictable.

Out of a welter of diverse and conflicting antitrust bills emerged the act creating the Federal Trade Commission in September, 1914, and its companion, the Clayton Antitrust Act, which became law in October of that year. Henry D. Clayton, chairman of the House Judiciary Committee, became the foremost administration spokesman for this legislation, even declining a nomination to the Senate in deference to the President's desire that he remain in the House to lead the battle there. The new Federal Trade Commission, which absorbed Roosevelt's Bureau of Corporations, was empowered not only to investigate any business corporation engaged in interstate commerce but also to take an active part in prosecuting those guilty of using unfair methods of competition. Corporations were required to file with the FTC complete annual reports and replies to specific questions regarding their operations. Violators of the antitrust laws received from the Commission a notice containing the charges and the date of the hearings to be held regarding them; a "cease and

desist" order went out to those proved guilty. Following a court decision adverse to the corporations, the FTC was expected to investigate whether the decree had been fully carried out and to report its recommendations to the Attorney General for action. This five-man administrative board was chosen by the President but remained independent of the ordinary executive departments—thus having an unusual position of strength.

Wilson hoped that the Federal Trade Commission would be strong enough to remedy future as well as past defects of the antitrust laws. One of its chief tasks would be to administer the Clayton Antitrust Act, an amendment to the Sherman Antitrust Act. This new law forbade price discrimination between different purchasers where the effect was to lessen competition. Corporations were forbidden to purchase stock in a competing firm if this seriously hampered competition. No person might serve as a director or employee of more than one federal bank or trust company whose capital and deposits exceeded \$5 million; other provisions along this line were added, obviously to stop the widely publicized evil of interlocking directorates, the mechanism of the "Money Trust."

Labor was given its "Magna Carta," as Samuel Gompers called it, in Section 6 of the Clayton Act, which exempted trade unions and agricultural organizations devoted to "mutual help" from antitrust prosecution. Another resounding but illusory victory was the anti-injunction rule in Section 20 providing that "no restraining order or injunction shall be granted by any court of the United States . . . in any case . . . growing out of dispute concerning terms or conditions of employment, unless necessary to prevent irreparable injury to property. . . ." This was intended to protect strike activities such as "recommending, advising, or persuading others by peaceful means" to cease work or to cease to patronize or to employ any party to the dispute. In language suggestive of the famous papal encyclical, *Rerum Novarum*, it was declared that "the labor of a human being is not a commodity or article of commerce." Here seemed a great victory for the Bryan platform of 1896.

Wilson's antitrust laws, like those of his predecessors, failed to reverse the decline of price competition, although they removed some of the more flagrant abuses. Legislation could not undo the nationalizing effects of technology which insured the growth of bigness in

both business and government. During the conservative 1920's judges were to nullify the substance of the Clayton Act while the newly appointed personnel of the FTC even encouraged the monopoly-fostering effects of the trade associations. In later years progressives eliminated the worst excesses of monopoly, but both labor and government were ready in 1933 in the National Recovery Act to nullify the antitrust measures in return for a measure of planned recovery. Nevertheless, the Socialist prediction that monopoly would transform the nation into a plutocracy failed to be realized.

Rural Credit and Scientific Farming

With the Democrats in the saddle and a Southerner as President, it was inevitable that the agrarian South would secure sweeping farm legislation. The Federal Reserve Act offered only a partial answer to the farmer's need for credit. Encouraged by the proponents of rural credit, Wilson urged repeatedly upon Congress, beginning in 1913, the establishment of a national system of farm loan banks which would provide long-term loans at moderate rates. A congressional commission, on the basis of its study of mortgage credit institutions in Europe, recommended nonprofit land mortgage banks that would be owned and controlled by the borrowers. This idea was denounced as socialistic by private bankers.

The Federal Farm Loan Act of July 17, 1916, represented a compromise between these two positions. Although the federal loan banks were nonprofit and coöperative in character, as "bankers' banks" they permitted private bankers to share in the benefits bestowed on coöperative farm associations; that is, they could borrow at moderate rates on land mortgages as security. Decentralization of credit, as in the Federal Reserve System, was provided by setting up twelve regional farm loan banks supervised by a Farm Loan Board. The capital came largely from the federal Treasury, although the framers of the act contemplated ultimate ownership by national farm loan associations.

Scientific farming was spurred on not only by the excellent administration of Secretary of Agriculture David F. Houston but by the passage of the Smith-Lever Act in 1914, which provided for federal grants-in-aid to promote agricultural extension programs. As a result of this legislation, county agents bring directly to the farm commu-

nity the most up-to-date scientific findings of agricultural colleges and of various local and national farm bureaus. This act also fostered a greater cooperative spirit among the farmers, thus reducing to a great extent the isolation characteristic of rural areas.

Labor and the New Freedom

Labor owed far less to the New Freedom than to the full employment opportunities of World War I. The Magna Carta of the Clayton Act did not halt labor injunctions; in fact Wilson's own Attorney General, A. Mitchell Palmer, was to apply for a most sweeping court order against the United Mine Workers in 1919. Well-intentioned welfare laws had to run the gantlet of an individualistic Supreme Court which had not yet been converted to the pragmatic philosophy of sociological jurisprudence. Holmes and Brandeis (after 1916) were the "great dissenters" until the New Deal period.

Wilson and Congress made valiant efforts to cope with the evil of child labor by introducing the first federal law upon the subject. With nearly two million children between ten and fifteen years of age employed full time in factories and on farms, the resulting spectacle reminded H. G. Wells and other foreign observers of the situation described in the novels of Charles Dickens. In 1916 Congress passed the Owen-Keating Child Labor Act, which prohibited any industry engaged in interstate or foreign commerce from shipping its products across state lines if it hired children under fourteen or if it used youngsters between fourteen and sixteen years of age for more than eight hours a day or six days a week.

Congress relied in this instance upon its power to regulate interstate commerce. However, the Supreme Court in *Hammer v. Dagenhart* (1918) nullified this use of the commerce power. "The making of goods and the mining of coal are not commerce . . .," said Justice Day. He went on to argue that the law violated the Tenth Amendment, which left to the states all powers not specifically delegated to the federal government. Furthermore, he observed: ". . . If Congress can thus regulate matters intrusted to local authority by prohibition of the movement of commodities in interstate commerce, all freedom of commerce will be at an end, and the power of the states over local matters may be eliminated, and thus our system of government practically destroyed."

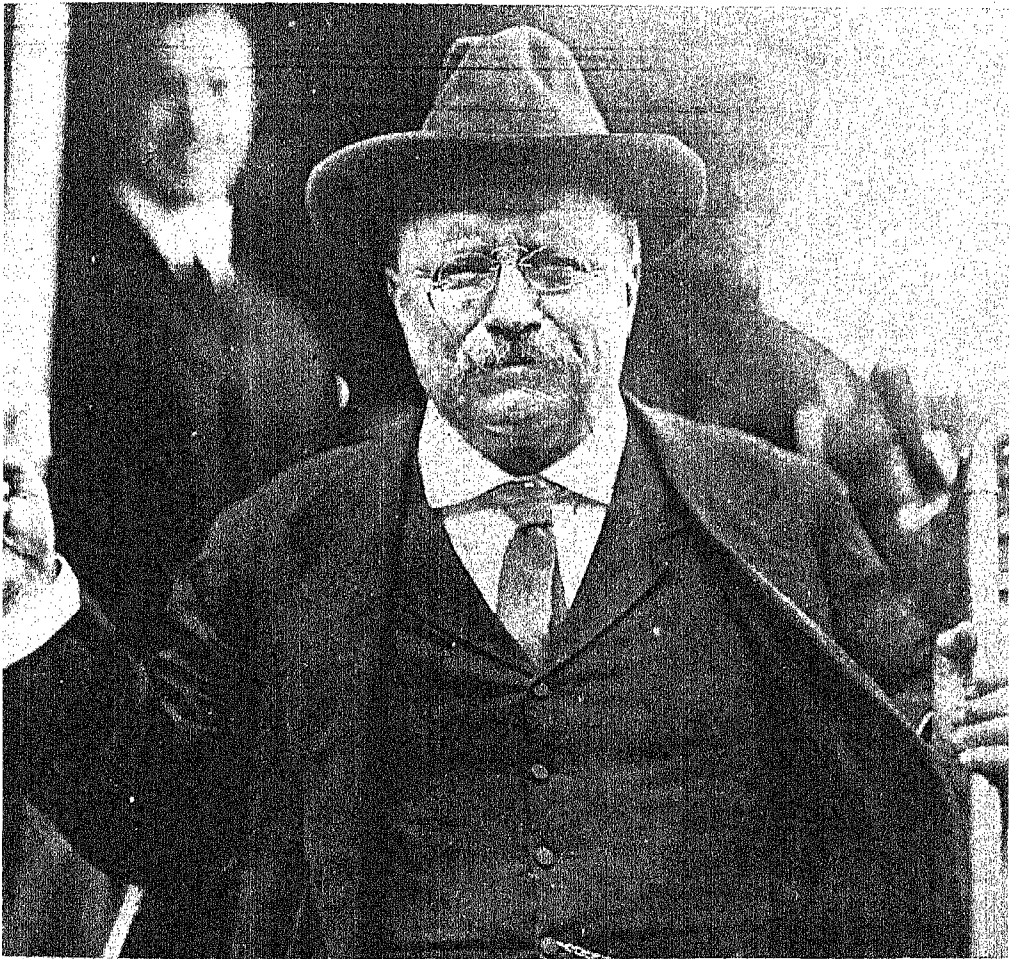
This kind of reasoning blocked federal welfare legislation to a great extent until the thirties, when the commerce clause received an expanded meaning. In the *Hammer v. Dagenhart* case, Justice Oliver Wendell Holmes, champion of social jurisprudence, issued a dissenting opinion which forecast the legal position of the New Deal Court two decades later. He reminded his colleagues that they had upheld Congress in the regulation of colored oleomargarine, which had been taxed prohibitively from entering interstate commerce. "The manufacture of oleomargarine is as much a matter of state regulation as the manufacture of cotton cloth," he pointed out. However, one easily inferred that the dairy interests had more influence over oleomargarine competition than the welfare agencies had over the factory owners.

A second child labor law was inserted in the Revenue Act of 1919 by imposing a tax upon industries employing children, but the same Court, this time through Chief Justice William Howard Taft in *Bailey v. Drexel Furniture Company* (1922), refused to consider the taxing method in any way less a violation of the Tenth Amendment and the reserved powers of the states than the restrictions used in the Owen-Keating law.

Of the permanent labor legislation, the most enduring proved to be the Adamson Eight-Hour Law of 1916 for trainmen, which will be considered in connection with the election of that year, and the La Follette Seaman's Act of 1915. Sailors so far forgot their distrust of landlubbers as to organize themselves in the International Seamen's Union and to demand the same basic rights as those enjoyed by factory workers. Led by the aggressive Andrew Furuseth, head of their union, and sponsored in Congress by Senator La Follette, they won their battle. Under the La Follette Seaman's Act, desertion ceased to be a crime as long as the ship was in safe harbor, although the sailor forfeited the personal belongings he left on the vessel. The act called for better food and decent quarters, safety measures, a nine-hour day while in port, and the right to join a union. This was a major step forward although conditions on board the ships worsened before long and the battle had to be fought over again decades later.

During these years, workmen's compensation gained sweepingly despite the fact that adverse court decisions had compelled the legislators to replace the defective laws by new measures. By 1920 com-

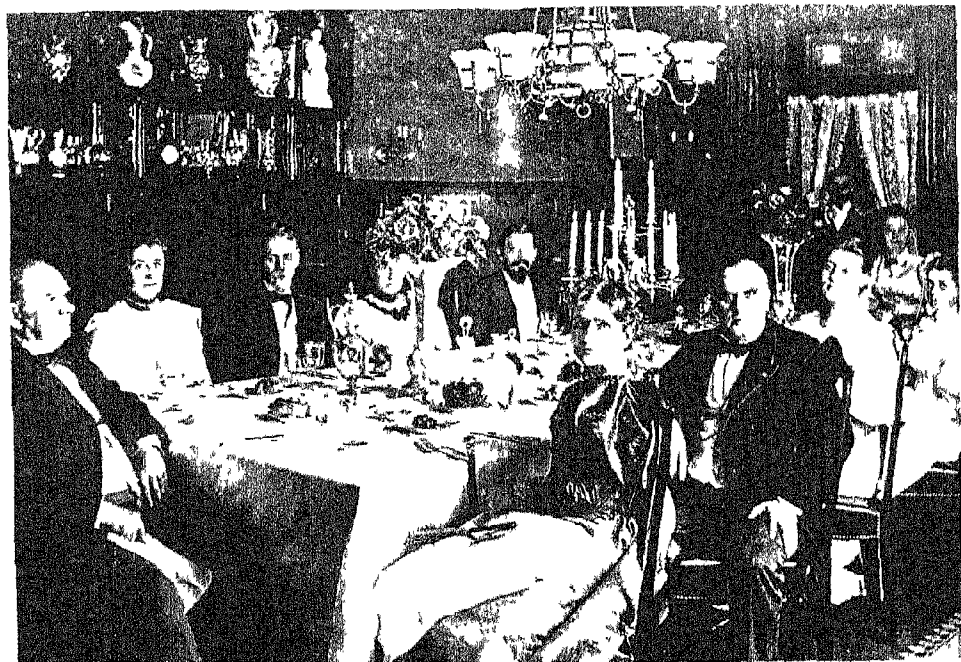
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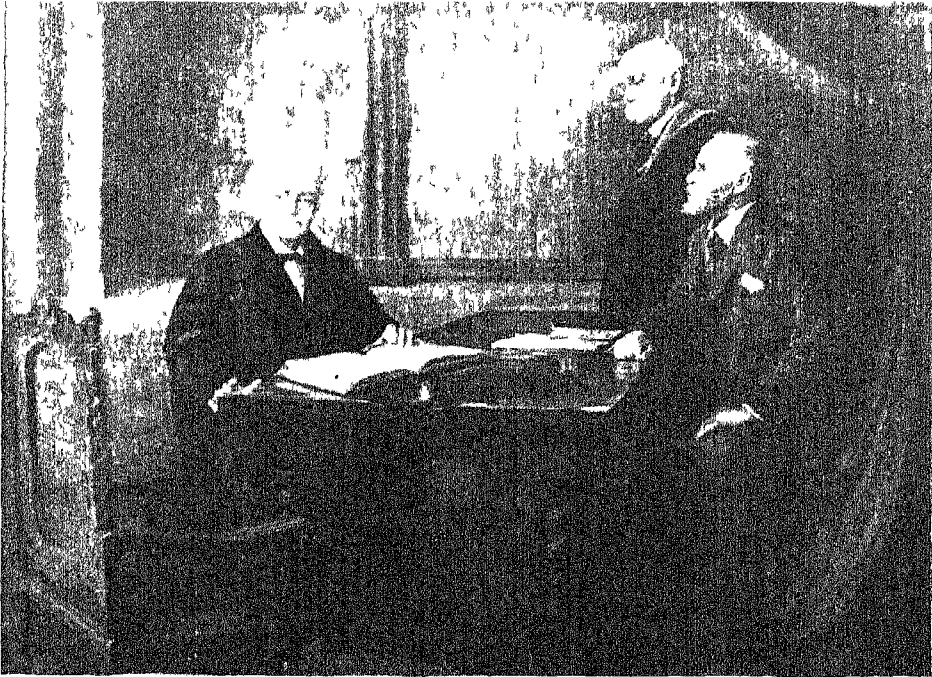
President Theodore Roosevelt. (Cleveland *Plain Dealer*.)



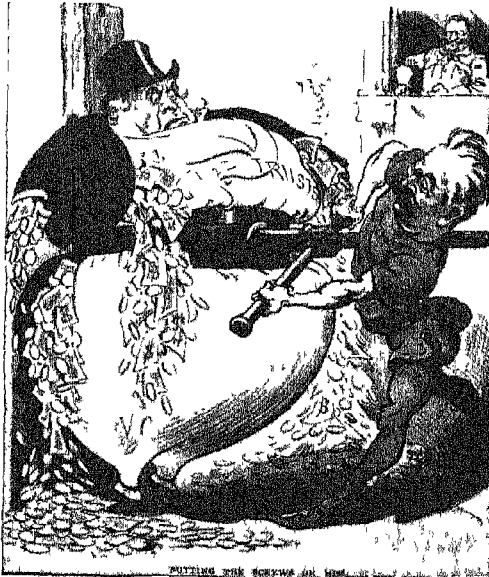
McKinley's Full Dinner
 Pub. Circulation of 1900 Against
 Bryan (Cleveland Plan
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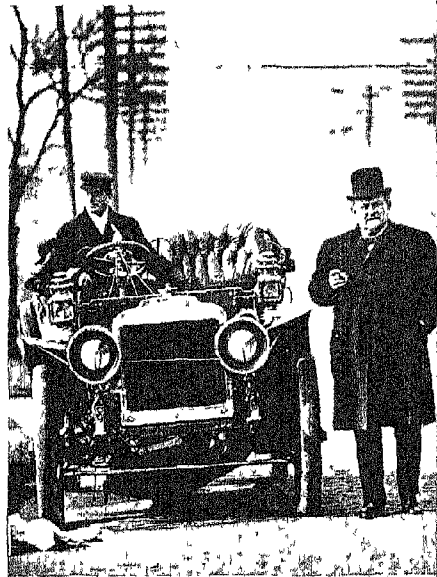
Luncheon at Senator Mark Hanna's Residence, 1894 Hanna Is Seated at the Left, President McKinley at the Right. (Western Reserve Historical Society)



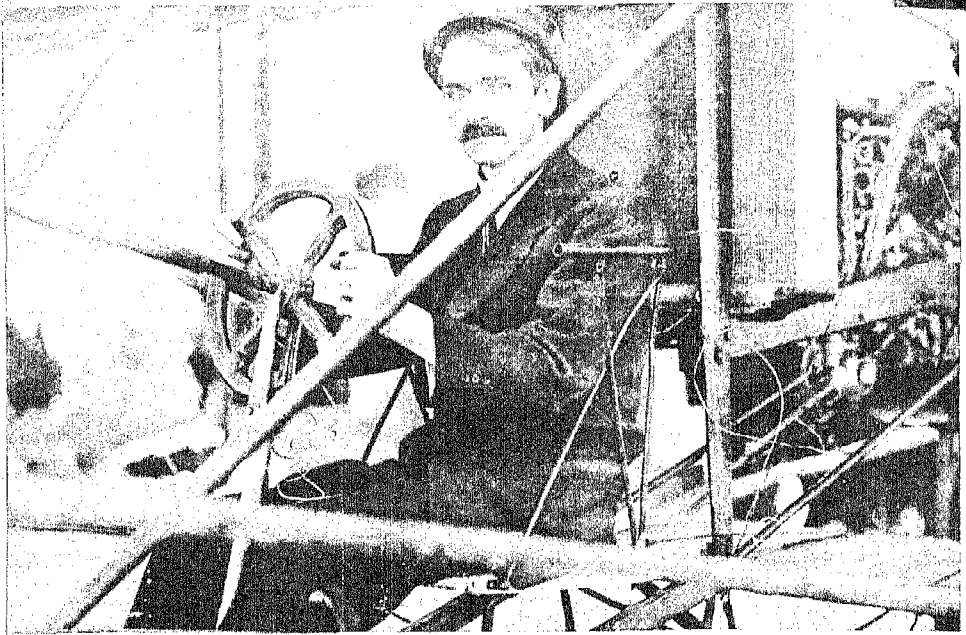
The Three Philosophers, by Winifred Richter. Josiah Royce (left, seated), George H. Palmer (standing), and William James—all of Harvard (The Fogg Museum of Art)



A Favorable Interpretation of the Campaign Contributions of Big Business to Roosevelt in 1904. (From *Puck*, November 2, 1904.)



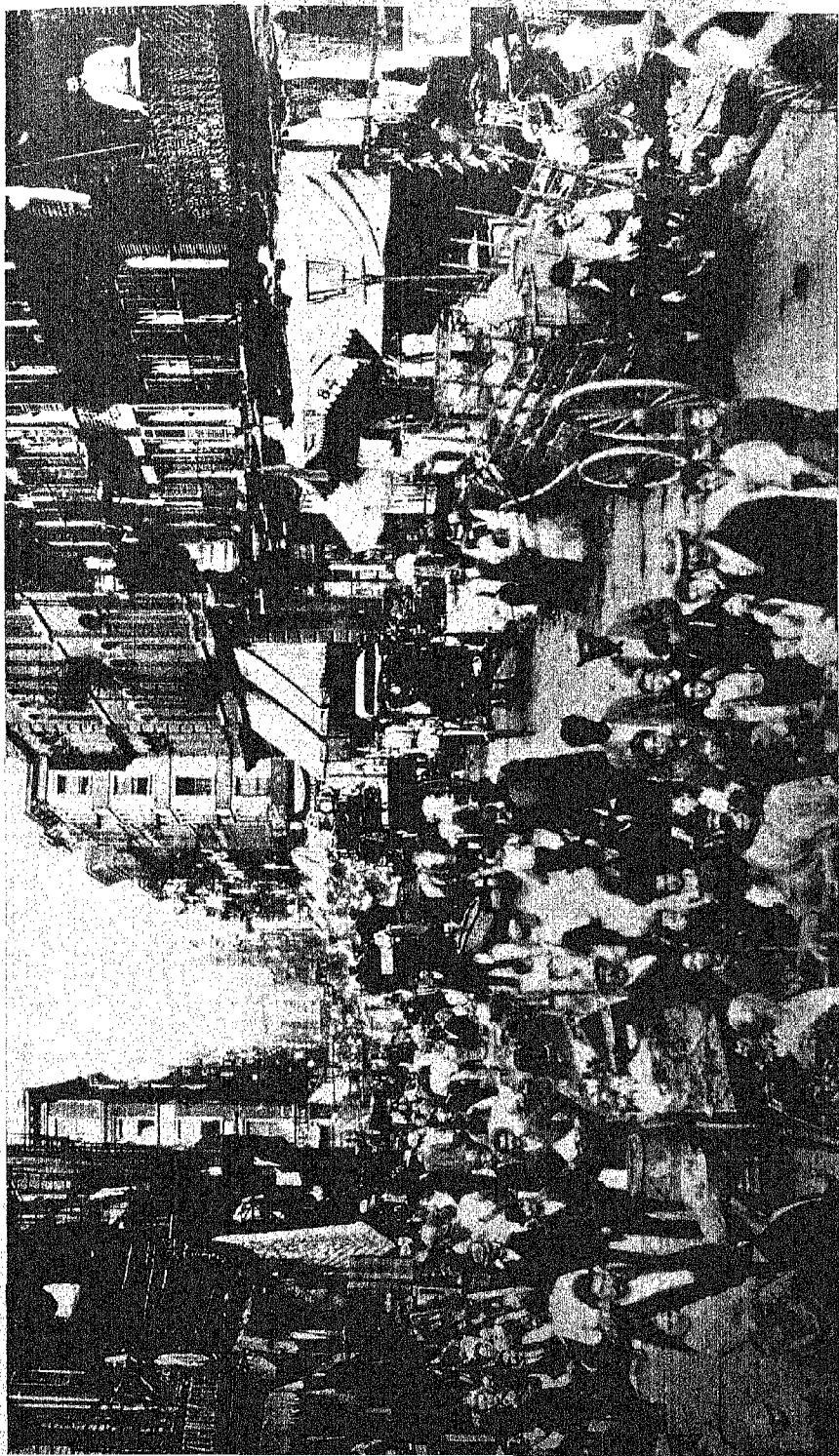
Mayor Tom Johnson of Cleveland, Single-taxer and Reform Leader in 1905. (Cleveland *Plain Dealer*)



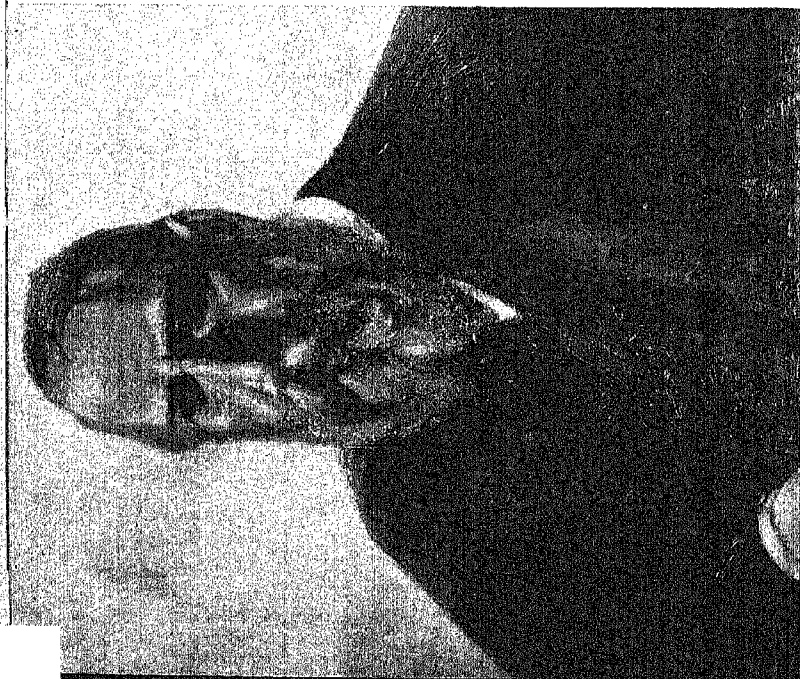
Glenn H. Curtiss (1878–1930), Pioneer Aviator and Inventor of Hydroplane and other Aircraft, 1910. (Kraftert, Cleveland *Plain Dealer*.)



Slovak Family Seeking Their Baggage—Ellis Island, 1905. (Lewis Hine Memorial Collection Committee.)



Lower East Side New York at the Turn of the Century. (Brown Brothers.)



Albert P. Ryder, by Kenneth H. Miller. (The Phillips Collection.)



Toilers of the Sea, by Albert P. Ryder (1847-1917). (The Metropolitan Museum of Art.)



Ford Sterling, Al St. John, Hank Mann, and Fatty Arbuckle in a Keystone Film, *In the Clutches of the Law*. (The Museum of Modern Art Film Library.)



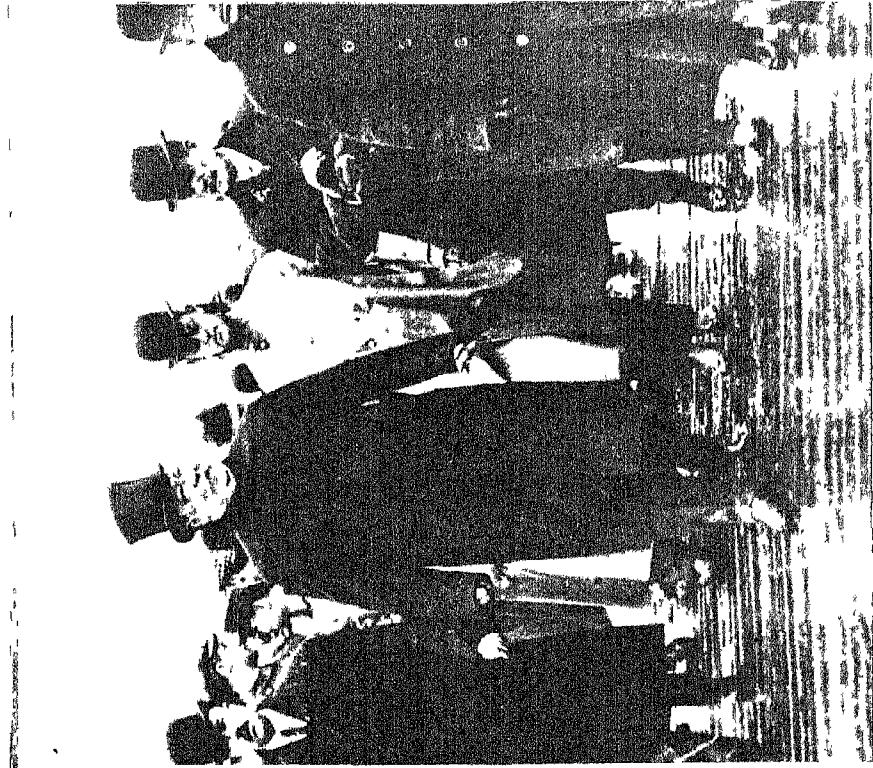
The "Divine Sarah Bernhardt," 1907, on an American Tour. (Krafft, Cleveland Plain Dealer.)



D. W. Griffith Directing; Blanche Sweet and Dorothy Gish in Background. (The Museum of Modern Art Film Library.)



Eugene V. Debs Campaigning in New York During 1912 () as
 Presidential Candidate of the Socialist Party (The National Ar
 chives)



President Taft and Republican Intom igc 1911 (Kiaffat Cleveland Pl
 Dealer)

pensation laws had been passed by forty-one states as well as by the federal government, although the benefits and procedure fell short of the German and Danish models. The old costly judicial procedure when damage suits had to be taken into the courts by the injured workman at his own expense and risk was largely replaced by an inexpensive administrative procedure which promised swift action and standardized benefits.

Finally, as will be noted, Wilson pursued an enlightened labor policy during World War I which helped the rapid growth of the unions.

Golden-Rule Diplomacy: The Panama Tolls Issue

Both the President and Bryan appeared in 1913 to be amateurs in diplomacy, convinced that they could substitute the ethics of the golden rule for the rule of national self-interest taught in professional statecraft. Both of them publicly repudiated Taft's dollar diplomacy as dictated by selfish monopolies, but events shook their opinions.

One of the earliest tests of Wilson's diplomacy occurred in 1914, when he tried to have repealed the clause in the Panama Canal Act of 1912 exempting American coastwise vessels from paying tolls. According to the President, this clause violated the Hay-Pauncefote Treaty made in 1901 with Great Britain, which provided that the Canal should be open to ships of all nations on "terms of entire equality." Britain and the other nations regarded tolls exemption for American vessels as a flagrant violation of this treaty. Nationalist sentiment in the United States insisted that since the Canal had been built and financed by this country it should be operated primarily for our benefit. Republicans, Democrats, and Progressives—all except a few independents—were largely agreed on this point. Even Taft's legalist mind, after initially objecting to the exemption proposal, yielded to this sentiment.

Despite the warning of political experts that this issue would split the party, Wilson and House kept to their course, firmly convinced that the principle of the sanctity of treaties was at stake. Professor Charles Seymour, a careful student of this period, has stated that Wilson was eager to secure British assistance in ousting Huerta from Mexico. According to Seymour, the President may have believed that England was backing Huerta in the interests of Lord Cowdray's ex-

tensive oil holdings in Mexico; hence concession to Britain would mean success for us in our Mexican policy. Moreover, despite the outcries of such Anglophobes as the belligerent Hearst press, Wilson was always eager to cultivate England's friendship.

In a brief but urgent message concerning the repeal of the tolls clause which he delivered personally to Congress on March 5, 1914, the President stated that "we are too big, too powerful, too self-respecting a nation to interpret with a too strained or refined reading the words of our own promises just because we have power enough to give us leave to read them as we please." In spite of desertion by the Democratic leaders, Congress repealed the clause in June, 1914, on the eve of a war in which Wilson urged that the sanctity of treaties was the foundation of international order.

Anti-Imperialism in Puerto Rico and the Philippines

The Democrats carried out their pledge for greater self rule to Puerto Ricans in the Jones (Organic) Act, which went into effect in 1917. This conferred American citizenship upon the natives save for those (only a few hundred) who refused it. The island was to be ruled by a popularly elected Senate and House and a governor appointed by the President, who was also to pick the members of the Supreme Court and certain Cabinet heads. At the same time, American officials reported progress in extending the public-school system to many provinces. In 1917 there were 143,000 children out of 428,000 of school age attending these schools and the English language was taught alongside Spanish. Sanitation continued to advance, but poverty prevented the total conquest of hookworm and anemia.

Unfortunately, the gains in political democracy were not enough to win the race between subsistence and overpopulation, although Congress extended federal social legislation to the island. In 1919, the Department of Labor published several disquieting facts about Puerto Rico. While American, Spanish, English, and French investors had succeeded in multiplying exports of tobacco, sugar, and coffee, they had raised land values so high that the natives had hastily sold out their small holdings and become landless laborers. Daily farm wages of forty to eighty cents for ten to twelve hours of hard labor, with less for women, proved totally inadequate for a decent livelihood. For most islanders this meant living in crowded shacks

and subsisting upon a diet of coffee (without milk or sugar) as the entire breakfast, a lunch of rice and beans, and perhaps, for variety, a supper of rice and codfish or plantains. The nakedness of the children was not altogether due to climate and culture. About 67 percent of the island's wealth now belonged to Americans. Clearly, under the circumstances, there seemed little likelihood that an agrarian economy could support the dense population; foreigners had not gone very far in diversifying the products of the island.

On the other side of the world, the Philippines too shared in the Democratic program looking toward self-rule and, in their case, eventual independence. Their own Jones Act, passed about the same time as the Puerto Rican organic law, converted the appointive Philippine Commission into an elective Senate and promised independence as soon as possible. Thus Filipinos controlled both houses of the legislature. Wilson carried out a policy of the "Filipinization" of the administrative offices which went much further than previous attempts to turn over the government to natives. However, in 1920, the President received no encouragement from his Republican Congress when he recommended immediate independence on the ground that the conditions for stability specified in the Jones Act had been satisfied. During these years important experiments in public ownership were made such as the Manila Railroad and the Philippine National Bank.

Keeping the Open Door Ajar

Golden-rule diplomacy had its difficulties in the Far East. In line with his public condemnation of dollar diplomacy, Wilson refused to support Taft's plan for American bankers to participate in a six-power loan of \$125 million to China. The terms of the loan, said the President, compromised the sovereignty of China and might necessitate American intervention abroad. The next day the American bankers, who from the beginning had been cool to Taft's project, withdrew from the loan pool. Thereupon American diplomacy in China returned to the traditional noninterventionist policies. American loans and industrial assistance to China continued without the solicitation of the State Department, but our investments had to compete with European and Japanese enterprises, which were strongly supported by their governments. The open door remained in peril of

being entirely shut to the United States. Belatedly, Wilson came to appreciate Taft's dollar diplomacy as a potential check upon the economic penetration and ultimate domination of China by Japan. Restrictions upon American lending terms were then relaxed by the State Department.

In 1913 the Japanese problem in California approached a new crisis. The Hearst press and its allies had broken out again with a campaign against Japanese landownership despite the fact that the total of all Japanese-owned farms did not exceed 331, altogether comprising less than thirteen thousand acres. Governor Hiram Johnson and the Republican legislature had grudgingly consented to delay their discriminatory legislation under the pressure of their party in Washington, but they saw no reason for further forbearance with a Democrat in the White House. Therefore they proceeded to outlaw Japanese landownership in California. Wilson and Bryan protested; so did the Japanese government. The best that could be won from California was a "face-saving" clause that forbade landownership by "persons ineligible to citizenship." When the Japanese ambassador inquired whether this decision was final, Bryan replied in his conciliatory manner, "There is nothing final between friends, Mr. Ambassador."

California made it difficult indeed for the State Department to pursue its national policy of the open door, for Japanese nationalists were able to cite the periodic campaigns by that state against their race as a justification for expansion in China. In 1915 Japan took advantage of the involvement of the great powers in World War I by presenting China with the infamous Twenty-One Demands that would have reduced her neighbor to complete economic and political vassalage. Acting at the behest of the worried Allies, Bryan intervened to assert the territorial integrity of China and the equal commercial opportunity in that area guaranteed by the open-door notes. The Secretary of State tried to soften his demand by repeating the assurances to Japan already made in the Taft-Katsura Agreement of 1905 and again in the Root-Takahira Agreement of 1908, which recognized Japan's economic position in Manchuria. He granted that "territorial contiguity creates special relations between Japan and those [northeastern Chinese] districts."

After the United States and Japan had become cobelligerents, both

signed the Lansing-Ishii Agreement on November 2, 1917. Secretary of State Robert Lansing broadened his predecessor's concession in regard to China by agreeing that "territorial propinquity creates special relations between countries," but he did not specify what those relations might be. Evidently he had in mind the privileged position of the United States in the Caribbean. As usual, the Japanese agreed to respect the open door and China's territorial integrity. When Viscount Ishii later chose to interpret the agreement as an outright admission of his country's "paramount interests" politically and economically in China, Congress protested. Lansing denied that anything more was conceded than certain economic interests arising from geographic propinquity. The agreement had been little more than a hope of halting Japan's absorption of China while the West was at war.

Strategy and Reluctant Intervention in the Caribbean

In October, 1913, Wilson symbolically united the waters of the Atlantic and the Pacific in the Panama Canal by pressing a button at the White House which set off a charge of dynamite that blasted away the final obstacles of soil and rock in the Canal. Shortly afterward, at Mobile, Alabama, he said that this was the beginning of a new day in hemisphere relations, that it marked the "spiritual union" of the United States with the Latin-American nations. "We must show ourselves friends," he declared, "by comprehending their interest whether it squares with our own interest or not. It is a very perilous thing to determine the foreign policy of a nation in the terms of material interest." To promote the spread of constitutional liberty in the world, "human rights" must take precedence over material interests. "I want to take this occasion to say," he observed significantly, "that the United States will never again seek one additional foot of territory by conquest."

Latin-American friendship was indeed close to Wilson's heart, but, tragically enough, his administration surpassed all others in bloody interventions among the Caribbean nations. The countries of South America itself could be wooed in the gallant spirit of Elihu Root, but the problems raised by the Canal invoked a totally different attitude toward the nations along its route. Naval administrators and State Department officials felt justified in putting aside Wilson's policy of

forbearance in the case of Santo Domingo, Haiti, and Cuba when the United States was on the brink of entering World War I. Roosevelt and Taft had thought it necessary to intervene in the Caribbean in behalf of a prospective canal route; Wilson, with the Canal completed, still found intervention necessary in the face of unsettled world conditions. Even so, he had difficulty in convincing his critics that his motives were entirely free from the commercialism of dollar diplomacy.

When a revolution broke out in Santo Domingo in 1913, Bryan, for all his anti-imperialist beliefs, insisted on direct methods to restore order and prosperity to the republic. Even the customs receiver-ship set up by the Roosevelt treaty of 1907 appeared inadequate to the Secretary of State, for he imposed new economic and political restraints in order to insure a fair election and prevent foreign intervention. When these failed, marines were landed in the spring of 1915 to protect American and other foreign property, a step which aroused popular clamor at home. In November of the following year, Wilson authorized the complete military occupation of Santo Domingo. "It is with the deepest reluctance that I approve the course here proposed," he wrote to the State Department, "but I am convinced that it is the least of the evils in sight in this very perplexing situation." Although our occupation greatly promoted the material progress of the Dominican Republic, our entrance into the First World War encouraged numerous abuses—even brutalities—against the natives on the part of naval officials stationed there. Republicans were quick to capitalize on this during the campaign of 1920; nevertheless, American troops were not evacuated until 1924.

Wilson became even more inextricably involved in the Negro republic of Haiti, Santo Domingo's turbulent neighbor. The heritage of slavery under French rule and the destructive wars for independence had intensified gross illiteracy, extreme poverty, and chronic civil war. A small and well educated governing class that relied on dictators supported by professional revolutionaries to maintain them in power exploited the Haitian masses and fought popular education. Border disputes with Santo Domingo, controversies with European powers over the destruction of foreign property by revolutionists, and the scandalous condition of the country's public finances marked Haiti as a likely place for European intervention. During

the disorders of 1913-1914 American marines, together with similar forces from England, France, and Germany, were sent to Haiti to protect foreign lives and property. Wilson and Bryan attempted to persuade the republic to accept American supervision of customs and internal finance in order to assure the payment of creditors. Germany on this occasion insisted on participating in any plan for customs control and therefore sent a landing party of well-armed marines to Haiti in July, 1914, but she recalled them after her declaration of war against Russia.

Another revolution which broke out in 1915 and reached new extremes of meaningless brutalities compelled Wilson to act vigorously. When the dominant faction led by General Guillaume Sam, President of Haiti, ordered the mass execution of 167 prisoners, the revolutionists retaliated by breaking into the French and Dominican legations, where the government leaders had sought refuge, and dismembering the bodies of the President and his top-ranking general; later they paraded through the streets with these gruesome fragments. On July 28, 1915, an American warship carrying marines arrived to impose a treaty which established a political and financial protectorate over Haiti. Assistant Secretary of the Navy Franklin D. Roosevelt drew up a constitution for the republic which became law despite the opposition of the local politicians, who objected to a clause intended to attract outside capital by permitting whites as well as Negroes to own land. Increasing friction between the marines and the Haitians led to the outbreak of a formidable war in 1918; its leader, Charlemagne, was variously described as a patriot and a bandit chieftain, and his followers were inspired by the fear that the whites intended to revive slavery. The war was brought to an end with heavy loss of life, especially among the natives, and our intervention was severely criticized by Americans as well as Haitians. During the unwonted period of internal peace in the twenty years that our protectorate was in force, much was accomplished in modernizing Haiti and raising her standards of well-being.

Wilson's anxiety to insure supplies for the Allied armies led to armed intervention also in Cuba during a political revolt early in 1917. Marines patrolled the areas where important American enterprises were located. "As the Allied Powers and the United States must depend to a large extent upon the sugar production of Cuba,"

read Wilson's proclamation of May 15, 1917, "all disturbances which interfere with this production must be considered as hostile acts." Bound to the United States by geographic, economic, and political ties, Cuba entered World War I immediately after we did, but our troops were not withdrawn until 1922.

In Nicaragua Wilson learned that Taft's dollar diplomacy harmonized too well with the need of defending the Canal to be lightly discarded. Because that country's San Juan River offered a route for a rival canal, he sought to embody Taft's policies in the Bryan-Chamorro Treaty of 1916, by which the United States paid Nicaragua \$3 million for an option in perpetuity to this route. The fact that the American bankers who were that nation's creditors would be the primary beneficiaries of this payment proved embarrassing to the President. However, he unobtrusively sent a financial adviser to Nicaragua and by 1918 the financial system had been stabilized.

Strategy dictated Wilson's purchase of the Danish West Indies (thereafter known as the Virgin Islands) in 1916 for \$25 million, thus closing half a century of intermittent negotiations. Although it was realized that these tiny islands, predominantly Negro, would prove an economic liability because of their limited resources, the Navy Department, which exercised authority over them, justified the purchase as furnishing "the key to the defense of the Panama Canal." Feeling that the sum was not excessive for the purpose, Wilson therefore refused to haggle over "a question of money."

The Colombia "Apology" Issue

Colombians anticipated that Wilson's accession to the Presidency meant complete financial and moral compensation for the injuries they had suffered as a result of the Panama revolution of 1903, whose success had been largely due to American aid. They were not disappointed. Wilson arranged the treaty of April 6, 1914, which expressed "sincere regret" for the interruption of Colombian-American friendship and offered Colombia \$25 million in gold, together with special privileges in using the Canal. Roosevelt, still active in spite of his nominal retirement, sounded the battle cry of his friends in the Senate when he said: "The payment can only be justified on the ground that this nation has played the part of a thief, or of a receiver of stolen goods." The First World War suspended Senate action on the treaty.

When the treaty finally came before the Senate in 1919, the "apology clause" was withdrawn, but Roosevelt's friend Senator Lodge raised another obstacle when he pointed out that Colombia's new oil laws threatened to confiscate American property. Not until 1922, during the Harding administration, did the treaty pass the Senate; its ratification was apparently due in no small extent to the part played by the leading American oil interests, who feared that Colombia's rich oil concessions might go to European competitors. What Wilson could not accomplish in the name of Pan-American friendship commercial groups succeeded in achieving through the naked appeal of self-interest.

Wilson's Rescue of the Madero Revolution

Nothing set off the idealism of Wilson and Bryan from the "realism" of professional diplomats so much as the new administration's Mexican policy. Critics who could understand intervention when life and property were scarcely endangered failed to comprehend Wilson's crusade in behalf of the Mexican revolution of 1910, which offered sweeping agrarian and labor reforms at the expense, in large part, of established American interests there. Nor did the Mexicans themselves, observing his intervention in Santo Domingo, Haiti, and Cuba, readily believe that the President was motivated solely by the desire to see their country freed from the economic and political domination of a selfish ruling class.

Henry Lane Wilson, our ambassador to Mexico, had made the special privileges of American businessmen almost the sole basis of his diplomatic policy and had labored unconvincingly to establish the innocence of the new dictator, General Victoriano Huerta, in the murder of President Madero and Vice-President Suarez. Huerta seemed "safe" for foreign concessionaires, whereas Madero brought with him the menace of a national upheaval that would endanger the economic privileges accumulated during the regime of the complacent and crude dictator, Porfirio Diaz. Despite the countless precedents for automatically recognizing any revolutionary *de facto* government, President Wilson refused to recognize the bloody Huerta regime; to him it was the complete negation of any hope for the spiritual and social regeneration of Mexico. "The people of Mexico," he stated on one occasion, "are striving for the rights that are fundamental to life and happiness—fifteen million oppressed men, over-

burdened women, and pitiful children in virtual bondage in their own home of fertile lands and inexhaustible treasure!" Ambassador Wilson was recalled in the interests of Mexico.

While General Huerta was autocratically dissolving the Mexican Congress and arresting, and in some cases murdering, deputies who dared criticize him, Wilson steadily increased the pressure upon him. John Lind, former governor of Minnesota who during 1913 acted as the President's confidential agent in Mexico, urged Huerta to permit a fair election to be held in which he would not be a candidate, but this proposal was flatly rejected. Thereupon Wilson announced: "The present policy . . . is to isolate General Huerta entirely; to cut him off from foreign sympathy and aid and from domestic credit, whether moral or material, and to force him out . . . If General Huerta does not retire by force of circumstances it will become the duty of the United States to use less peaceful means to put him out." Early in 1914 the President lifted an existing embargo on arms to Mexico in order to aid the rebel Venustiano Carranza of the Constitutional party in offering armed resistance to Huerta. Carranza was popularly identified with the democratic followers of the murdered President Madero.

An apparently trivial incident encouraged Wilson to strengthen his pressure. On April 9, 1914, several American sailors from the U.S.S. *Dolphin*, while loading supplies at Tampico, were arrested on the charge that they had entered a forbidden zone. Although they were released an hour and a half later with an apology from Huerta himself, Admiral Mayo demanded further redress and insisted on severe punishment for the Mexican officer responsible for the arrest, and a twenty-one-gun salute to our flag. The admiral conveyed this to Huerta in the emphatic form of a twenty-four-hour ultimatum. The dictator agreed to punish the officer but refused to humiliate himself by saluting the flag; however, he offered to arbitrate the dispute. Wilson not only supported Mayo but in a personal appeal to Congress requested permission to use arms in enforcing the admiral's demands. The affair, he declared, was no isolated instance of Huerta's hostility to the United States.

The night that the President appeared before Congress, news came that a German vessel was due at Vera Cruz with munitions for Huerta. Wilson, Bryan, and Secretary of the Navy Daniels quickly

agreed that the vessel must not be permitted to land her cargo, and the President had Daniels order Mayo to take Vera Cruz at once. This order was fulfilled all too well, at a cost of nearly two hundred Mexicans—mostly young naval cadets—and twenty-one Americans. Every Mexican faction froze into common hostility in the face of this tragic invasion of their soil, however well intended; Mexican mobs stormed American buildings, and even Carranza, who benefited from this action, denounced the attack on Vera Cruz. Ironically, the German munitions ship landed her cargo for Huerta without further molestation after the German ambassador reminded Bryan that we were not at war with the Kaiser and hence could not detain the ship.

Wilson belatedly took the wise step of inviting Argentina, Brazil, and Chile to mediate regarding the relative claims of Huerta and Carranza; but, despite Wilson's efforts to make him Huerta's successor, Carranza refused to accept foreign mediation in a domestic matter. The Constitutionalist leader found it politically wise to characterize our intervention as "mistaken kindness"; furthermore, his army, strengthened by American supplies, was gradually driving Huerta from power. At the end of August, 1914, Carranza became President and his request that we end our military occupation of Vera Cruz was granted.

A quarrel between Carranza and his ambitious but irresponsible associate, General Francisco (Pancho) Villa, plunged Mexico into worse anarchy than ever. Wilson offered to recognize Carranza if he would confer with the opposing faction to achieve order, but the headstrong Mexican leader refused. Notwithstanding this refusal, the State Department on October 19, 1915, extended *de facto* recognition to Carranza. "We will aid and befriend Mexico," said the President in a message to Congress, "but we will not coerce her." During 1913-1915 at least seventy-six Americans were killed on Mexican soil, and in retaliation a similar or even larger number of Mexicans were murdered on American territory. Property losses increased, and the Hearst press, whose proprietor owned extensive mineral properties in Mexico, led the American interventionist sentiment for war. Once more Wilson invited the ABC countries to mediate—this time Guatemala, Bolivia, and Uruguay were included—but again Carranza refused.

During 1915, armed bands of Mexicans, some of them Carranza's

soldiers, crossed the Rio Grande on raiding expeditions. Native leaders whipped up Mexican nationalist feeling indiscriminately against "gringos" and political opponents. General Villa, embittered by Wilson's preference for Carranza, sought revenge by murderous attacks on Americans. On January 10, 1916, the Villistas halted a train near Santa Isabel, Chihuahua, and removed seventeen American mining engineers whom Carranza had invited to Mexico. One of them escaped; the rest were shot down. Although Congress was now ready for military intervention, Wilson chose to rely on Carranza's promise to punish the Villistas; the promise was not fulfilled. On March 9 Villa himself led a raid on the small town of Columbus, New Mexico, killing sixteen Americans and burning considerable property.

"Get Villa alive or dead!" was the popular version of Wilson's emphatic order to General John J. Pershing on sending him at the head of a punitive expedition into Mexico. After expressing his regret at the Villa outrages in qualified terms, Carranza refused to cooperate with Pershing's efforts to capture the bandits and finally threatened outright opposition to the American advance. Despite clashes between our own and Carranza's troops, Wilson refused to yield to the mounting clamor at home, led by Theodore Roosevelt, for war with Mexico. The imminence of war with Germany ultimately led to the withdrawal of Pershing, although Villa was still at large. Thereafter Carranza showed more energy in dissolving the various bands of guerrillas; as World War I progressed, his attitude toward the United States was so hostile that Germany was encouraged to believe him to be a potential ally.

Nevertheless, Wilson's role of knight-errant in upholding Madero's principles against the revival of Mexican "personalism" with its endless internal warfare was not without its results. Carranza's victory made possible the liberal Constitution of 1917, which furnished the younger disciples of Madero with a blueprint of basic reforms and heralded a new era for the exploited peon and laborer of Porfirio Diaz' day. American businessmen, it is true, mourned the economic advantages they had previously enjoyed, and Catholic churchmen protested the anticlerical spirit of the revolution. But Wilson's supporters saw with satisfaction the beginnings of democracy south of the border.

Carranza himself did not always remain faithful to the principles

of the revolution. He was overthrown in the spring of 1920 by one of his generals, Alvaro Obregón, who denounced his former commander for playing on anti-American prejudice. The Obregón government succeeded in restoring order in time to forestall the efforts of Senator Albert B. Fall of New Mexico to provoke war with Mexico. Fall, who later gained notoriety and imprisonment for his part in the Teapot Dome oil scandal, was the influential Republican chairman of the Senate Foreign Relations Subcommittee on Mexican Affairs; he also represented the Doheny oil interests. His subcommittee recommended that no Mexican government be recognized unless it exempted Americans from those provisions in the Mexican Constitution of 1917 which threatened their interests, such as the oil concessions previously granted by the Díaz dictatorship. Wilson's Secretary of State, Lansing, urged upon the then sick President that the United States must not recognize Mexico unless that country canceled the radical parts of her constitution. So the situation remained when Harding took office.

The Growth of Pan-Americanism

Before Wilson became President, Pan-Americanism had been largely commercial in inspiration. Yet, in 1815, Simón Bolívar, the great liberator, had begun a series of Latin-American congresses with the hope that a federation of these states would emerge. The United States had been slow to follow the urgings of Henry Clay to ally itself with the movement; and the Mexican War had alienated many Latin-Americans in the years following. In the subsequent congresses, none had troubled to invite their powerful northern neighbor.

In 1889-1890, Secretary of State James G. Blaine earned a reputation as the father of Pan-Americanism by his aggressive leadership in calling a congress at Washington to promote commerce, investments, and peace. Out of a welter of economic, diplomatic, and welfare recommendations made in this conference and its successors (most of these proposals were never ratified) had eventually emerged the Pan American Union headed by the Secretary of State and located in a beautiful Washington building donated by Andrew Carnegie. The Pan American Union gathered data regarding hemisphere developments in a large specialized library and sought to promote arbitra-

tion and better relations through investigations, reports, and publications.

At the Third Pan-American Conference at Rio de Janeiro in 1906, Roosevelt's Secretary of State, Elihu Root, went far to allay suspicions of Yankee imperialism. He assured his audiences that the United States respected the independence and equal rights of the smallest as well as the largest state: "We neither claim nor desire any rights, or privileges, or powers that we do not freely concede to every American republic." Americans, he went on to say, were not interested in gaining territory at the expense of others. In the light of his excellent record on Latin-American affairs, his words appeared convincing. Enthusiastic demonstrations in the streets and extravagant receptions in South American capitals encouraged Root to spread those ideas which a later generation called the "good neighbor" policy. He called for trade reciprocity, the use of commercial agents who knew Spanish or Portuguese, the adaptation of exports to Latin-American tastes, and above all, more tact and respect to replace condescension.

Wilson had been very specific as to his Pan-American ideals in the Mobile speech of 1913 which rejected dollar diplomacy, territorial annexation, and the reliance upon self-interest as the sole guide to diplomacy. Bryan's "cooling off" treaties had tried to assure peace in this hemisphere as well as abroad. In 1915 and again in 1920, Wilson had invited to Washington a Pan-American Financial Congress to improve banking and transportation facilities. The chambers of commerce and business groups had entered into this drive for better commercial relations. Especially successful was the National City Bank of New York, which had five or six branches in South America and extended credits to over twenty thousand Latin-American firms.

Aided by Colonel House, Wilson tried to transform the Monroe Doctrine from a one-nation guarantee of hemisphere safety from European attack into a coöperative hemisphere agreement by which every nation in Latin America would guarantee the independence and territorial integrity of every other nation. This was a striking forerunner of the crucial Article X of the League of Nations Covenant. It was also the antecedent of the "continentalization of the Monroe Doctrine" that was finally achieved by President Franklin D. Roosevelt. Like Root, Wilson believed that the United States must

respect the full sovereignty of each nation regardless of size. Unfortunately, Latin-American conditions were not ripe for this step. Chile, then fearful of losing her long-standing boundary dispute with Peru, opposed the intervention implied in the proposal. Furthermore, the dangerous friction between the United States and Mexico created an atmosphere that was unfavorable for hemisphere unity. The idea received its coup de grâce when we entered World War I.

Pan-Americanism could hardly inspire a union of peoples as Wilson wished to make it. Latin America, for the most part, consisted of semifeudal agricultural states ruled by local elites of landowners, generals, and a small middle class. Illiteracy, poverty, paternalistic traditions, and Indian isolationism barred genuine intimacy between the plain people and their northern neighbors. Foreign investments like those fostered by Wilson, Roosevelt, and Taft might have enriched a society with a more balanced class structure, but in Latin America they tended to perpetuate a colonial economy on a larger scale with controls held in New York, London, and Paris.

Even a union with the dominant educated elite class was hampered by the fact that Latin-American leaders looked toward Catholic Spain rather than Protestant Anglo-Saxon America for any sense of historic unity. Intellectuals like the Uruguayan prose writer, José Rodó, did not feel that the material progress of America offset what seemed to them an exaggerated emphasis upon the practical at the expense of the intellectual and the spiritual. In *Ariel*, Rodó counseled Uruguayan youth to balance the charm of Latin culture with some attention to the practical, but he implied that the United States played the role of an ugly Caliban to the Latin's part as a sprightly Ariel. Pan-Hispanists like Manuel Ugarte, the Argentine literary modernist, urged that Latin-Americans unite with Spain in a common cultural front against the Yankee colossus. For all of Wilson's good intentions, such suspicions could not be easily allayed despite an increasing exchange of teachers, the founding of Pan-American publications, and the increase of college courses dealing with hemisphere affairs.

Chapter 7

THE PEACE CRUSADE: WORLD WAR NEUTRALITY

Pacifism on the Eve of War

Never perhaps in all history did world peace sentiment attain loftier heights than during the period that preceded World War I. Although selfish nationalist rivalries laid the foundation of the holocaust, internationalists of every description vowed undying devotion to peace. Even though powerful groups of European Socialists—those in Germany and France, for example—had been denouncing war for almost half a century as a capitalistic and feudal adventure in imperialism, the Socialist comrades who had managed to achieve political power by 1914 patriotically voted war appropriations in the name of democracy. The Autocrat of All the Russias, Czar Nicholas II, had occupied the center of the world stage in 1899 and 1907 when he inaugurated the Hague Conference, whose goal was ultimate disarmament and an international system of arbitration and conciliation; nevertheless, this same Czar, albeit with tears, signed the fateful mobilization order of July 31, 1914, which helped to set off the European powder keg. The benefits of war are illusory, cried the pacifists; its profits accrue solely to munitions profiteers. But the total number of conscientious objectors proved to be astonishingly small.

Peacemakers sought inspiration in widely diverse sources. William Jennings Bryan, who had long preached the ideals of the Prince of Peace before Chautauquas, prepared to practice them as Wilson's Secretary of State. Believers in the Enlightenment of the eighteenth

century and the liberalism of the nineteenth rejected war as an irrational intrusion upon an otherwise orderly universe. American progressives, fresh from their combat with the money power and the great industrial conspiracies to stifle competition, regarded war as the handiwork of sinister plotters against the innocence of the masses. In the historic isolationist tradition of early America, as expressed in the writings of Washington and Jefferson, there persisted the assumption that war reflected Europe's decadence and loss of ideals. But this isolationist spirit did not deny, it actually encouraged, the belief in many quarters that America's ultimate mission was to propagate her youthful democratic ideals as leader of a world peace crusade. From John Quincy Adams' conception of the Monroe Doctrine through Wilson's Pan-American Pact to the League of Nations ran a stream of thought expressive of America's growing sense of being entrusted with a democratic mission to achieve universal peace.

Among the foremost apostles of peace in this country was the idealistic schoolbook publisher, Edward Ginn, who enlisted in the cause in 1901 at the age of sixty-three, after a successful business career marked by sympathetic labor relations. With continuing generosity he financed various educational societies and publications whose aim was to promote world peace; he climaxed this work in 1910 with the endowment of the World Peace Foundation for the diffusion of an informed peace sentiment. He was particularly interested in projects for disarmament, arbitration, and a league of nations that would have a permanent armed force. In 1910 also, another philanthropist, Andrew Carnegie, the steel magnate, established a similar propagandist and scientific organization, the Carnegie Endowment for International Peace; this represented a gift of \$10 million to the cause of peace. The same year he contributed most of the funds for the beautiful Pan American Union building in Washington and three years later presented the peacemakers with an imposing headquarters, the Palace of Peace at The Hague. Although Carnegie's record on arbitration was poor where labor was concerned, he nevertheless aspired to promote diplomatic arbitration on a world scale in order to abolish war. From all these groups, together with numerous religious organizations, women's clubs, and experts on international law, flowed millions of pamphlets and books at various popular and scientific levels, all urging the construction of a harmonious world order.

Arbitration treaties in particular seemed to offer a royal road to peace, but nationalist suspicions in the Senate, as we have seen, blocked the submission of really vital questions to arbitration. Elihu Root, who in 1911 became a trustee of the Carnegie Endowment for International Peace, had been a pioneer in the movement for compulsory arbitration of international disputes; but his twenty-five pacts concluded in 1908-1909 while he was Secretary of State did not cover disputes that affected the "vital interests, the independence, or the honor, of two contracting states." President Taft evoked sympathetic response from Britain as well as the United States in 1911, when he proposed that questions of national honor also be referred to arbitration, but again the Senate refused to accept the proposal.

With exaggerated trust in the efficacy of simple conciliation pacts, Secretary of State Bryan negotiated thirty of them during 1913-1914; both parties to a dispute were bound to submit it to an international commission, but its decision was scarcely more than advisory in force. The commission's investigation usually involved considerable time, and since neither side could resort to war during this period it was hoped that the countries concerned would "cool off" in the meantime. Subsequent decades found the Bryan "cooling off" pacts of questionable utility. Germany, evidently fearful of the advantage that the slow-moving but overwhelming Russian forces would gain from the period of investigation, frankly rejected this type of treaty. "Our strength," the Kaiser explained to Colonel House, "lies in being always prepared for war at a second's notice."

While Bryan pursued his scheme for peace independently, Colonel House, with Wilson's support, was busily engaged in constructing the society of nations described in *Philip Dray*. During the spring of 1914 he visited the capitals of western Europe in the interest of achieving a framework for diplomatic coöperation, including a system of international trustees for backward areas to replace the colonial regimes with their potentialities for war; this last anticipated the mandate system set up under the League of Nations. House was greatly disturbed by the tense diplomatic atmosphere, its tenseness accentuated by armament rivalries. "The situation is extraordinary," he wrote from Berlin on May 29, 1914. "It is militarism run stark mad." He shared the view, generally held by prewar American states-

men, that the Pan-German extremists led by Admiral von Tirpitz' big-navy clique were counting a major war.

Neutrality: "Impartial in Thought"

The tinderbox of Europe flared up with the shooting on June 28, 1914, of the heir to the Austrian-Hungarian throne, Archduke Franz Ferdinand. With this deed Serb nationalists ignited a fire that eventually consumed the Waltz Empire, the Czarist regime of Russia, and the empire of the Hohenzollerns. For a century, Europe's skilled diplomats had prevented a world war on the scale of the French revolutionary wars that had embroiled the Continent for nearly twenty-five years. Kings had been returned to their thrones in the effort to use dynastic loyalties as a shield against liberal nationalism. The struggle for national unity had already produced wars over Italy and Prussia, but these had been localized by the diplomats. Nationalism, infused by the French Revolution with crusading fervor, had become a mass religion far stronger than socialism in holding the homage of the people. The state was the new divinity in whose name millions might perish; and national honor took on the dignity of a sacrament. Modern science and technology proved to be better servants of nationalism than of internationalism.

Diplomats had painstakingly reared an impressive security system in the form of balanced military alliances. However, the Industrial Revolution had shaken this hope of stabilizing peace as the factory owners of England, Germany and France called for exclusive control over raw materials, markets, and colonies in Asia and Africa. Czarist Russia, though crushed by Japan in 1905, felt an appetite for more imperialistic adventures despite—or because of—the discontent of its small but organized class of laborers and the landless peasants. Such national rivalries could not easily be contained. Recurrent international military crises, any one of which might have set off the world war, broke out over Anglo-German naval rivalry, Far Eastern competition, the Balkan wars, the struggle over Morocco, and elsewhere. The Hapsburg dynasty fought a losing battle against dismemberment by the numerous aroused nationalities which made up the empire. Everywhere on the Continent millions of men had been trained under compulsory military service to spring to arms at short

notice. So it happened in August, 1914, that Russia, France, and England faced Austria-Hungary and Germany on far-flung battlefields and distant seas.

On August 4, Wilson proclaimed American neutrality, forbidding citizens to give direct aid to the belligerents, and followed up shortly afterwards with a message to the Senate pleading that we do our utmost to keep out of the war: "The people of the United States are drawn from many nations, and chiefly from the nations now at war. . . . Some will wish one nation, others another to succeed in the momentous struggle. . . . We must be impartial in thought as well as in action, must put a curb upon our sentiments as well as upon every transaction that might be construed as a preference of one party to the struggle before another."

There is little doubt that the bulk of public opinion favored the Allies at the very outset. A country-wide poll of 367 editors in 1914 disclosed that 105 were definitely pro-Ally and only 20 pro-German; the others refused to express any preference. Most Americans had British ancestors and traditions. They shared with the Britons a common language and literature, liberal constitutional principles, the Anglo-American law, English ideas of sport, parallel democratic reform movements such as woman suffrage and the peace movement, and a host of other social experiences. Radical pacifists like the educator and literary critic, Randolph Bourne, attributed the interventionist sentiment partly to the wealthy colonial families: "The nerve of the war-feeling centered, of course, in the richer and older classes of the Atlantic sea-board, and was keenest where there was French or English business and particularly social connections."

Nevertheless, the Central Powers had legions of sympathizers among the eleven million people of German and Austro-Hungarian parentage; and many of the four million Irish-Americans recalled Britain's oppression of Ireland all too well. England's stern measures against the instigators of the Easter Rebellion of 1916 in Ireland stirred up a storm of anti-British resentment among Irish-Americans. It was manifestly impossible to be impartial in thought; it would be a sufficient achievement to be impartial in action.

Even before the paid propagandists went to work, therefore, the odds favored a pro-Allied America. German agents labored mightily to publicize England's high-handed interference with the rights of

neutrals on the high seas, but this could not counter the weight of the news that Germany had invaded and destroyed part of Belgium, a neutral whose territory Prussia had guaranteed in 1839. The fact that German submarines were sinking merchant vessels without warning and with heavy loss of life outweighed in the public mind the argument that the British blockade of Germany was starving civilians in that country. It was not enough, apparently, to point out that the submarine was a new weapon not covered by international law and too fragile a vessel to expose itself to almost certain destruction by warning enemy ships in advance and thus taking the chance of being rammed and sunk.

Organized propaganda, impressive as it was in extent, was not under the circumstances a major factor in bringing this country into the war. Pro-German sentiment was cultivated in the hotbeds of propaganda flourishing in the embassies and consulates of the Central Powers, which had added spies and confidential agents to their regular staffs. George Sylvester Viereck, an amateur poet from Munich, edited the German-subsidized periodical, *The Fatherland*, to stress the "Hate England" theme as a bond between German-Americans and Irish-Americans. However, the German ambassador, Count von Bernstorff, complained bitterly that German propagandists failed to comprehend the American mind.

The British, who found the environment more congenial, employed such influential figures as Lord Northcliffe, the publisher, and two well-known novelists, H. G. Wells and Sir Gilbert Parker. The famous report on German atrocities signed by Viscount James Bryce, the noted scholar and observer of the American scene, carried more conviction than the complete facts warranted. By culling from the writings of the most ardent German foes of democracy, the Allies convinced many Americans that Germany had deliberately instigated the war in the interest of Prussian autocracy and was conducting it with calculated brutality. They cited Treitschke, the German professor of history, who glorified the militarist mission of Prussia, and Bernhardi, one of his followers, who preached a war conducted by frightfulness (*Schrecklichkeit*) in his *Germany in the Next War* (1911); from the Kaiser's own bombastic speeches came the justification for the term "Huns," the damning epithet applied to the Germans. The Allies made certain that Americans realized that Ger-

many regarded treaties as mere "scraps of paper"—at least that was the conclusion to be drawn from Chancellor Bethmann-Hollweg's remark to the British ambassador on England's declaration of war in 1914, when he is reported to have expressed surprise at England's willingness to go to war for a "scrap of paper" like Prussia's neutrality guarantee to Belgium in 1839.

Wilson always believed that the preservation of England was essential for civilization, but he also thought that the war was caused by selfish commercial rivalries. As a member of the peace movement, he felt that the best tactic for the time was to make American mediation decisive in ending the war and thereafter to promote a world peace organization. He could not be an isolationist because isolationism did not seem to him a philosophy of morality but of expediency; yet this attitude did not mean that he intended to work for military intervention.

Colonel House was too much the interventionist to be happy about Wilson's unwillingness to take a strong stand in 1914 for a preparedness program. The President privately condemned Germany for declaring war before the others had done so, but he refused to take any steps which might arouse a war spirit here. He thought that Germany, even if victorious, would be too exhausted to attack the United States, and he feared that an Allied victory might mean the domination of the reactionary Czarist regime in Europe. Russia seemed no less formidable a menace than Germany.

Wilson agreed in January, 1915, to send House to Europe to explore the possibilities for American mediation and a postwar peacetime organization. The conflicting war aims of both Allies and Central Powers, however, proved a stumbling block; each belligerent was still so confident of victory that it refused to make any concession that suggested defeat. Proposals and counterproposals rose and fell with the fortunes of war.

Freedom of the Seas

The titanic struggle between the foremost sea power in the world and a great land power capable of launching innumerable submarines put the weaker neutral nations in the unhappy plight of acceding to the seizure of their cargoes and the destruction of their shipping. Once more, as in 1812, the United States insisted upon the

"freedom of the seas" doctrine that she had held historically with the lesser naval states. In 1609 the Dutch jurist Hugo Grotius had written *A Free Sea* to demonstrate the rights of free navigation against the claims of the great naval powers from Venice to England who asserted sovereignty over large portions of the oceans. By the opening of the nineteenth century the doctrine had been emphatically asserted by the United States in regard to wartime neutral rights. This involved a strict definition of the belligerent right of visit and search on neutral vessels suspected of carrying enemy goods, the laws of blockade, the confiscation of contraband, and other wartime naval problems. "Free ships make free goods!" was the ideal of the disciples of Grotius, but Colonel House found it impossible to convince the European belligerents that the neutral flag should cover all types of goods.

The two chief incidents of the early quarrel over neutral rights had been the undeclared naval war with France in 1798 and the War of 1812 with Britain (although historians have shown that the expansionist "war hawks" of the West precipitated the war to acquire Canada and avert the Indian danger). Britain, whose famed jurist, John Selden, had tried to refute Grotius in a work entitled *A Closed Sea* (1635), was understandably slow in making concessions to the "freedom of the seas" doctrine, which would reduce her naval power. In 1909, small-navy countries had felt encouraged by the agreement reached in the Declaration of London carefully restricting blockade laws and permitting a generous list of goods that might be shipped freely as noncontraband goods, e.g., cotton and foodstuffs destined for civilian use. Unfortunately the Declaration was never ratified and these rules were soon disregarded.

At the outset of the war, Wilson tried to persuade England to sign the Declaration of London, but Britain refused unless certain amendments were included that would have destroyed the neutrals' gains. Contending that she was fighting for her life against a ruthless foe and that modern warfare had necessarily altered many rules of international law, England began to "waive the rules," as the Germans put it. Gradually, she eliminated the distinction between absolute contraband (war goods with an enemy destination), which the Declaration of London had banned on neutral ships, and conditional contraband (goods that were not necessarily military in na-

ture but could be used for that purpose; the enemy destination determined whether it was contraband). Since modern war finds uses for most civilian raw materials, it was not long before cotton and even foodstuffs found their way onto the contraband list and were liable to seizure if discovered on neutral ships. Southerners were angered to see their chief product banned from a profitable trade, and public opinion was shaken by the "starvation blockade."

The submarine and mine destroyed the traditional manner of imposing a blockade, which required that the besieging power must make its operations effective by close offshore operations and at the same time permit neutrals destined for nonbelligerent zones to pass through. To forestall being attacked by submarines while searching neutrals for contraband at sea, British ships compelled neutrals to accept the delay (and expense) involved in being examined in an Allied port. To tighten the blockade, the British on November 3, 1914, declared the North Sea a military zone and began to mine it. This action compelled neutral ships to stop for instructions regarding safe channels, and incidentally for search. Those ships which tried to transport enemy-bound goods by sailing to an intermediary neutral port were halted by the British revival of the old doctrine of "continuous voyage." There were other sources of irritation against the British, as when American mails were opened by British officials or imports of essential drugs from Germany were restricted or cargoes bound for "black-listed" firms in neutral nations were seized. The revered neutral doctrine that free ships make free goods seemed to be discarded.

Encouraged by the success of her U-boats and alleging England's violations of international law as an excuse, Germany resorted to a new idea when she declared a submarine blockade of the entire British Isles, to become effective on February 18, 1915. Since submarines were too fragile to be exposed to possible attack on the surface, the conventional rules of visit and search would be dispensed with and any enemy merchant ship would be sunk on sight. Neutrals were also warned that the British practice of using neutral flags to conceal the identity of their ships made the blockade zone perilous for nonbelligerents as well as others.

The State Department strongly protested these flagrant departures from international law on the part of both sides in several sharp

notes. On December 26, 1914, Wilson reviewed Great Britain's violations of neutral rights and denounced her North Sea blockade as "ineffective, illegal, and indefensible." He concluded: "This task of championing the integrity of neutral rights which have received the sanction of the civilized world against the lawless conduct of belligerents . . . the United States unhesitatingly assumes, and to the accomplishment of that task it will devote its energies. . . ." Since the German blockade of the British Isles endangered American lives on enemy and even neutral merchant vessels, Wilson on February 10, 1915, sent Germany an even stronger note in which he warned that the United States would hold her "to a strict accountability" for the acts of her naval authorities.

Although the Germans appeared willing to modify their stand, the British, encouraged by Walter Hines Page, our Anglophile ambassador, were not convinced that Wilson would resort to strong action; therefore the diplomatic discussions were extended. Page believed that the Allied cause was that of civilization itself, and he made every effort to soften the impact of Wilson's protests upon England. "It's no time," he complained to Colonel House, "to quarrel or to be bumptious about a cargo of oil or of copper, or to deal with these Governments as if things were normal." Furthermore, the fact that Great Britain gave financial compensation for much of the loss she caused prevented too great a general outcry. Nevertheless, Wilson's protests were made in all sincerity. On September 30, 1914, he commented to Colonel House on the coincidence that James Madison and himself had been the only Princeton men to become President and that both had faced a similar situation. "The circumstances of the War of 1812 and now run parallel," he observed grimly; "I sincerely hope they will not go further." House informed Sir Edward Grey, the British Foreign Secretary, of Wilson's remark.

The Financial Stake in Allied Victory

While the diplomats were exchanging notes, an economic link with the Allies was being forged. American bankers like Morgan who had sentimental as well as financial ties with England and France wanted to make loans to these countries and asked the State Department what its attitude would be. Since both Bryan and Wilson opposed any transactions which might create a material interest in an

Allied victory, the State Department announced on August 15, 1914, that loans to belligerent nations were "inconsistent with the true spirit of neutrality." For the time being, this policy did not embarrass the Allies, for they could sell their large American holdings and realize funds from other sources as well.

Meanwhile the serious depression in the United States in 1914 had turned into prosperity as the Allies placed with us huge orders for munitions; the total actually exported by December, 1915, amounted to over \$500 million. Germany, of course, was theoretically free to place similar orders but was restrained by the British blockade. Since this resulted in a virtual embargo on shipments to Germany, our new mushroom prosperity was precariously based on Allied ability to pay cash. Responding to the suggestions of bankers who desired to facilitate Allied purchases in the United States, Robert Lansing, then counselor to the State Department, convinced Wilson in October, 1914, that extending short-term credit to the Allies was not an unneutral act. This concession was followed in September, 1915, by approval of a long-term Anglo French loan of \$500 million promoted by Morgan and Company. So high had the value of our exports risen by then that Wilson feared that Europe would be unable to make payment unless credit was extended to her, and a major depression would therefore develop. "The result," Lansing warned in urging the President to support a loan policy, "would be restriction of output, industrial depression, idle capital and idle labor, numerous failures, financial demoralization, and general unrest and suffering among the laboring classes." National interest, he reiterated, required a reversal of our former anti-credit policy.

Only irresponsible sensationalists could argue that the several hundred Americans who had financial stakes in the Anglo-French loan were deliberately bringing the United States into war. That retaliatory economic measures against British violations of neutral rights were not instituted was due to other factors, particularly the popular resentment aroused by German submarine depredations. Furthermore, the people themselves were benefiting from the only important source of foreign trade that remained after 1914 and hence were opposed to an embargo which would have brought on a major depression. Although Wilson believed that the cause of the war was commercial and industrial rivalry, he felt confident that under his

leadership this country would never be brought into it because of economic factors.

The Lusitania and the Awakening of a War Party

The failure of American diplomacy in 1915 to compel either side to accept the traditional practices of international law in regard to blockade spelled tragedy. It was inevitable that a German submarine would attack a British merchantman carrying American passengers and precipitate a crisis that would imperil German-American relations. This occurred on March 28, 1915, when the British steamer *Falaba* was sunk in the Irish Sea; one of the 104 people who went down with her was an American citizen. In an attempt to avoid a clash with Germany, Bryan told Wilson that Americans who chose to travel on the ships of belligerents should not expect protection from the government. The President, however, regarded the idea as setting a dangerous precedent which would sanction illegal attacks on unarmed vessels at sea. On April 28, before any decision regarding our action had been made, an American steamer, the *Cushing*, was attacked by a German seaplane, and on May 1 an American tanker, the *Gulflight*, was torpedoed. Although there were no fatalities on the *Cushing*, two of the *Gulflight's* sailors were drowned and her captain died of heart failure the next day. Germany promptly disavowed these attacks as mistakes and offered "full recompense." Nevertheless, Lansing and House argued that a sharp note of protest implying a possible break in diplomatic relations be sent to Germany. German-paid notices warning Americans not to travel on British vessels in the war zone appeared in numerous American newspapers on May 1.

While Wilson was studying the various courses of action, the most sensational attack of all occurred. On the afternoon of May 7, a German submarine torpedoed and sank a huge Cunard liner, the *Lusitania*, just off the Irish coast; 1198 persons, including 270 women and 94 children, perished. Of these, 128 were Americans, some of them—like Charles Frohman, the theatrical producer, and Elbert Hubbard, the middle western poet—nationally prominent men. This attack threw a sinister light on the *Falaba*, *Cushing*, and *Gulflight* incidents. Newspapers poured out bitter denunciations of Germany; comparatively few, however, demanded an immediate declaration of

war. The German contention that the *Lusitania* was carrying arms and possibly heavy explosives had little weight. Most opportunely, a few days after the sinking of the *Lusitania*, the British released the Bryce report on alleged German atrocities in Belgium. This strengthened anti-German sentiment to such an extent that Colonel House predicted war within a month.

Newspapers, closely watching the President's public utterances for some indication as to the action he would take on the *Lusitania* affair, singled out a statement made on May 10 in a speech to several thousand newly naturalized citizens in Philadelphia: "There is such a thing as a nation being so right that it does not need to convince others by force that it is right." Although Wilson had expressed similar sentiments on several earlier occasions, the *Lusitania* crisis led to this statement's being unfavorably interpreted as calling for peace at any price. The President, who had intended merely to emphasize America's general policy of peace, quickly disavowed the "too proud to fight" phrase he had used in this speech, but not before his critics had roundly denounced his pacifism and a new faction, ready to lead the nation in war against Germany, had come into being. Theodore Roosevelt, a convert to the new party, hurled his choice invectives against Wilson as he had once hurled them against the peace-minded McKinley; one of his epithets for Wilson was a "Byzantine logothete."

Colonel House, then in England as Wilson's confidential agent, sought to solve the *Lusitania* crisis by a compromise restricting submarine warfare. The Germans justified this form of war on the ground that Britain's food blockade was starving millions of German women and children and other noncombatants. Sir Edward Grey, the British Foreign Minister, declared that Great Britain was willing to let food shipments go through the blockade if German submarines ceased their attacks on merchant vessels. Germany's claim that the inhumane food blockade justified her unrestricted submarine warfare was largely propaganda. This was made clear when she demanded, in addition to the cessation of food restrictions, that raw materials as well be permitted to pass through. Germany, it was apparent, was facing a shortage of materials needed for warfare rather than an imminent food crisis. This put an end to House's attempts at mediation, for England naturally refused to give up the chief advantage still to be derived from the blockade.

Wilson was convinced that, Bryan's ideas to the contrary, any warning to Americans regarding travel on belligerent ships was unnecessary and even harmful because it would be understood as yielding on the issue of neutral rights. Americans could not be restrained from traveling on Allied vessels; moreover, no presidential proclamation to this effect could be any more effective than the tragic warning offered by the *Lusitania*. Consequently the note on the *Lusitania* crisis, handed to Germany on May 13, 1915, and signed by Bryan, reviewed the record of German violations of American rights and pointed out that, since the nature of the submarine prevented it from offering merchantmen the customary measures of safety, it could not be used against merchant vessels "without an inevitable violation of many sacred principles of justice and humanity." The note insisted that American rights on the high seas could not be abolished by Germany's warning that our citizens travel at their own risk. After a tactful reference to the "high principles of equity" that heretofore had guided the German government, the note closed with a request that an official disavowal of the illegal attacks be made, that reparation be offered, and that similar incidents be effectively prevented.

Germany's reply on May 28, while conciliatory, was unsatisfactory to Wilson, for it gave a special explanation for each attack in which Americans were involved but did not disavow the *Lusitania* sinking or concede the rights of Americans on enemy merchantmen. The *Lusitania*, it said, was an armed auxiliary cruiser of the British Navy that was carrying munitions of war; her rapid sinking was due to an internal explosion after the torpedoing. Furthermore, the Germans insisted, British merchant vessels were instructed to ram submarines; this made it impossible for the latter to comply with the rules of international law and give warning in advance of an attack. Germany's reply seemed as offensive to the press as it did to the administration.

While Wilson contemplated a second and more forceful note, Bryan signified his intention to resign. He was convinced that diplomatic pressure meant war; the German reply, he felt, offered sufficient basis for satisfactory negotiations without recourse to an ultimatum. Since the President seemed to consider him only as a figurehead, Bryan would carry on his work for peace as a private citizen. His resignation was greeted with relief by the press, which had long questioned his qualifications as a diplomat. Actually, the second *Lusitania*

note of June 9, 1915, signed by Bryan's successor, Robert Lansing, whose sympathies were strongly pro-Ally, was far from an ultimatum. It maintained that "the sinking of passenger ships involves principles of humanity which throw into the background any special circumstances of detail. . . ." In firm but conciliatory language it signified our expectation that Germany would seek to safeguard American lives and American ships. Altogether, it impressed Americans as an anticlimax to a tense situation.

To mitigate the crisis, Germany ordered her submarine commanders to avoid torpedoing large passenger vessels but she still refused to disavow the *Lusitania* sinking. Such half-measures did not prevent the sinking on August 19 of the *Arabic*, a large British liner bound for New York; two American lives were lost. Colonel House and Secretary of State Lansing favored breaking relations with Germany *immediately unless a complete disavowal was forthcoming*. Fortunately, Ambassador von Bernstorff quickly intervened with a promise to secure a definite guarantee of American rights; he transmitted this assurance from Berlin on September 1: "Liners will not be sunk by our submarines without warning and without safety of the lives of noncombatants, provided that the liners do not try to escape or offer resistance." (The *Arabic*, according to the captain of the submarine, had attempted to ram his U-boat.) The statement was followed by official German offers of indemnity and by promises to avoid similar incidents in the future. This gratifying victory justified Wilson's faith in the peaceful processes of diplomacy.

Sabotage

During these months of repeated submarine incidents, American public opinion was shocked by newspaper revelations of German and Austrian sabotage in munitions and shipping centers in the United States. The swelling stream of American munitions destined for the Allies was imperiling the war efforts of the Central Powers and consequently was the chief concern of enemy agents. On Memorial Day, 1915, only a few weeks after the *Lusitania* went down, a barge loaded with munitions for the Russians at Vladivostok blew up at a dock in Seattle Harbor. This was one of a series of plots, some extending as far as India, which involved Franz Bopp, the German consul general of San Francisco, and scores of his associates, many of whom were

eventually indicted by the federal authorities. Similar plots in the East were engineered by Captain Karl Boy-Ed, naval attaché at the German Embassy, and Captain Franz von Papen, the dapper military attaché who was involved in many Nazi intrigues a generation later. Our seizure of his papers revealed a huge spy ring that was engaged in the systematic sabotage of munitions factories, railroad bridges, and other points of military importance. On the basis of this damning evidence Lansing demanded the recall of both Von Papen and Boy-Ed.

At this same time the State Department also requested the recall of the Austro-Hungarian ambassador, Count Constantin Dumba, for participation in sabotage and strike activities on the part of Hungarian workers—charges which he freely admitted in later years. Particularly exciting were the newspaper accounts regarding Dr. Heinrich F. Albert, a spy for the German Embassy, whose brief case was picked up by an American Secret Service man on an elevated train in New York City while Dr. Albert was dozing in the next seat. Although the evidence was too incomplete for court action, the *New York World*, which had secured some of the documents from Secretary of the Treasury McAdoo, revealed that attempts had been made to purchase munitions factories to prevent them from producing for the Allies, and that negotiations had been begun to foment strikes among munitions workers and to buy the press for the dissemination of anti-British propaganda. The *World* asserted that Germany was sending about \$2 million each week to the United States to be used in such conspiracies. A year later, on the night of July 29, 1916, occurred the Black Tom explosion near Jersey City, which caused a heavy loss of life and property and involved some \$40 million in damages; even the ponderous Statue of Liberty was shaken. Over twenty years of litigation before a Mixed Claims Commission were required to adjust the claims arising from this disastrous explosion.

The Preparedness Movement and Pacifism

In a speech at Milwaukee on January 31, 1916, Wilson expressed his foreboding that the nation might be forced into the war in spite of every effort to remain at peace: "I know that you are depending upon me to keep this nation out of the war. So far I have done so and I will pledge you my word that, God helping me, I will—if it is pos-

sible. But you have laid another duty upon me. You have bidden me to see to it that nothing stains or impairs the honor of the United States, and that is a matter not within my control; that depends upon what others do, not upon what the Government of the United States does. Therefore there may at any moment come a time when I cannot preserve both the honor and the peace of the United States. Do not exact of me an impossible and contradictory thing."

This speech, which was one of the earliest expressions of the President's conversion to preparedness, marked the keynote of his tour of the North and Middle West. At the time, war with Mexico seemed a greater possibility than involvement in the European war, but both had a part in convincing Wilson that an adequate nation-wide defense could not be achieved overnight. There was danger also from the political standpoint, for 1916 was an election year and this might mean that, because of the President's pacifist ideas, the leadership of the nation might pass to the war-minded Theodore Roosevelt and his followers, who were now demanding the unprecedented peacetime introduction of compulsory military service.

Preparedness advocates--among them General Leonard Wood, Wilson's Chief of Staff, Secretary of War Garrison, and Admiral Peary--severely criticized the pacifist ideas held by Bryan, now a leader of the organized peace movement, and pointed out the extent to which pro-German agents had infiltrated the movement. Jane Addams and Carrie Chapman Catt, the feminist leader, conducted a vigorous campaign to keep the nation out of war and in January, 1915, organized the Women's Peace party. With bewildering profusion there appeared the National Peace Council, the American Truth Society, the Friends of Peace, and many other antiwar organizations. So rapid was their growth that an Emergency Peace Federation was formed a month later to unite the various groups into a common front. Bryan, anxious to spread his gospel, unwittingly played into pro-German hands by lending his name and prestige to groups affiliated with German and Austrian activities in behalf of the Fatherland.

Among the chief advocates of pacifism was Senator La Follette, whose *La Follette's Magazine* assailed the war as a munition-maker's plot. "What do Morgan and Schwab care for world peace," he demanded, "when there are big profits in war?" Far more naïve was Henry Ford, who felt certain that international finance had caused

the war. Inspired by the counsels of Madame Rosika Schwimmer, the idealistic Hungarian suffragette leader, and Jane Addams, Ford urged Wilson to organize an international peace commission and chartered the steamer *Oscar II* of the Scandinavian-American line to carry a huge delegation of pacifists to Europe. According to the newspapers, Ford promised to "get the boys out of the trenches by Christmas"; but Colonel House, who heard him expound his views in December, 1915, found them "crude and unimportant."

Close to Wilson's heart were the advocates of plans for a lasting peace. Mayor Newton D. Baker of Cleveland, a progressive Democratic leader who later became Wilson's Secretary of War, and Bainbridge Colby, later his Secretary of State, were actively behind a plan for a world court. Particularly vigorous in the effort to promote a league of nations during 1915-1916 were ex-President William Howard Taft, who had become an ardent supporter of the League to Enforce Peace, and President Nicholas Murray Butler of Columbia and President A. Lawrence Lowell of Harvard, both of whom were sponsors of this organization. In a speech before the League on May 27, 1916, Wilson painted a glowing picture of a coöperative world system that would offer "self-determination"—and preserve the rights of small as well as large nations—and of a "universal association of nations" that would maintain peace. He vigorously denounced isolationism in these words: "We are participants, whether we would or not, in the life of the world. The interests of all nations are our own also."

Convinced that large-scale defense measures were "absolutely imperative," Wilson declared in a speech at St. Louis that the United States Navy must be second to none. On his return to Washington he was drawn into the controversy between Congress and the Army as to methods of enlarging the armed forces. Congress, swayed by the democratic tradition of a volunteer citizens' army such as was represented in the state National Guards, opposed the professional Army men, whose spokesman was Secretary of War Garrison and who wanted an expanded regular army with centralized control. Anxious for immediate action, Wilson supported the Hay bill advocated by Congress and thereby lost his Secretary of War, who promptly resigned in protest. Newton D. Baker, who was generally regarded as a pacifist and a devotee of the New Freedom, was appointed head of the War Department.

The National Defense Act passed in June, 1916, represented a compromise. Generous provisions were made for the enlargement and training of National Guard units, and the Regular Army was increased from its existing strength of 106,000 men to 175,000; this insured a nucleus of trained men for the Army's rapid expansion in case of war. Federal funds were allocated for General Wood's training camps for civilians which had practically initiated the preparedness movement with the camp at Plattsburg, New York. Congress began a three-year naval expansion program in October, 1915, with an appropriation of half a billion dollars. By August, 1916, the Navy Department asked for another billion and a half. That same month the Council of National Defense was established for the purpose of coördinating all national resources for the common security; six Cabinet members served on it. In September, Congress created the United States Shipping Board to build and otherwise acquire the fleet of merchant vessels necessary to relieve the extraordinary shipping shortage caused by the war.

At the same time colleges increased their courses in military training. Propagandist agencies like the National Security League advocated compulsory military service, a proposal that won support particularly in Republican ranks. The League sponsored preparedness parades and created a formidable public sentiment which might have destroyed presidential leadership. But Wilson's decision to lead one of these parades in the District of Columbia on Flag Day symbolized his complete command of the preparedness movement. In San Francisco, however, a preparedness parade ended in tragedy on July 22 when a bomb thrown by an unknown hand killed many spectators. Two labor leaders, Thomas J. Mooney and Warren K. Billings, who were seized as suspects were saved from execution only when the governor commuted their sentence to life imprisonment. Subsequent investigations indicated that perjured evidence and mass hysteria had played a major role in convicting the two men. Their case became a rallying point of leftist organizations until both were released in 1940.

The Sussex Pledge

At the beginning of 1916 Colonel House was again in Europe, this time with a startling proposal for American intervention in the war.

Wilson apparently had decided to use every possible means to end the war. Sir Edward Grey's memorandum of February 22 read: "Colonel House told me that President Wilson was ready, on hearing from France and England that the moment was opportune, to propose that a Conference should be summoned to put an end to the war. Should the Allies accept this proposal, and should Germany refuse it, the United States would probably enter the war against Germany." Wilson cautiously insisted on the insertion of the word "probably" in deference to Congress; not even the irrepressible Colonel House could ignore this body. The Allies found this statement far from a satisfactory pledge of military assistance and consequently rejected the proposal. Meanwhile Britain continued her aggressive policy toward neutrals on the high seas and in addition black-listed American firms suspected of giving aid to Germany.

Congressional fears that Wilson had joined the advocates of war mounted after an angry White House conference on February 21, 1916, at which the President was reported to have asked the Democratic leaders to agree with him in holding Germany to strict account without similar pressure on Allied tactics. According to one version, Wilson proposed to sever diplomatic relations if American lives were lost on another vessel sunk by a submarine; Ambassador Bernstorff had assured the State Department that this would be followed automatically by a declaration of war by Germany. The reaction to this plan was quickly apparent in the McLemore-Gore resolution, which warned American citizens against traveling on armed ships of belligerent nations. Wilson met this challenge by an open letter to Senator William J. Stone of Missouri, chairman of the Senate Committee on Foreign Relations, in which he said: "For my own part, I cannot consent to any abridgement of the rights of American citizens in any respect. . . . To forbid our people to exercise their rights for fear we might be called upon to vindicate them would be a deep humiliation, indeed. . . . Once accept a single abatement of right, and many other humiliations would follow, and the whole fine fabric of international law might crumble under our own hands piece by piece. What we are contending for in this matter is of the very essence of the things that have made America a sovereign nation." This letter swung public opinion back to the President and the resolution was defeated in Congress.

The most serious crisis since the *Lusitania* occurred a few weeks later when an unarmed French passenger steamer, the *Sussex*, was torpedoed on March 24. Although she did not go to the bottom, some eighty of her passengers—some of them Americans—were killed or injured. Nevertheless, the attack on the *Sussex* was a violation of Germany's pledge *not to sink an unarmed vessel without warning*. Wilson was then involved with Mexico over Villa; furthermore, the congressional action on the McClintock-Gore resolution had convinced him that the peace sentiment in Congress as well as in the country at large was still powerful. Accordingly, instead of breaking off diplomatic relations with Germany, he instructed the State Department to send the following stern warning to her on April 18: "Unless the Imperial Government should now immediately declare and effect an abandonment of its present methods of submarine warfare against passenger and freight-carrying vessels, the Government of the United States can have no choice but to sever diplomatic relations with the German Empire altogether."

Because Germany considered her submarine fleet too inadequate to offset our entrance into the war, the German Foreign Office promised that merchant vessels would not be sunk without warning and without saving passengers unless resistance or escape were attempted. However, Germany reserved to herself "complete liberty of decision" if the United States could not persuade the Allies to relax the food blockade. Thus Wilson again staved off war, to the great disappointment of his pro-Allied friends and associates. Bernstorff later remarked that, after the *Sussex* note, there was no longer any doubt in Berlin that persistence in unrestricted submarine warfare meant war with the United States.

"He Kept Us Out of War"

The presidential election of 1916 was one crisis that Wilson could not avert and he prepared himself for battle in spite of his increasing responsibilities elsewhere. The foreign situation inevitably colored the campaign, despite the fact that neither party favored an outright declaration of war. Republicans hailed their September victory in Maine as portending a national victory in November, in line with the tradition, "As Maine goes, so goes the nation." To reunite their party they had only to heal the breach that appeared in 1912 between the

regulars and the progressives. This hope seemed realized when the congressional elections of 1911 reduced the number of progressives by one-half and Roosevelt began to move back into regular Republican ranks, possibly aspiring to win the party nomination for President in 1916.

The Republican convention in Chicago was presided over by Senator Warren G. Harding of Ohio as both temporary and permanent chairman; he was useful to party unity because he had avoided becoming entangled with the interparty animosities of 1912. In the same interest of conciliation Associate Justice Charles Evans Hughes of New York, a regular with progressive tendencies, was nominated for the Presidency. Partisan newspapers made capital of the fact that Hughes was reported to have written privately in 1912: "A man on the Supreme Bench who would run for political office is neither fit for the office he holds nor for the one to which he aspires." Roosevelt himself gave the coup de grâce to the Progressive party by belatedly rejecting its nomination and publicly advising its members to return to the Republican fold.

The Democrats, as expected, nominated Wilson by acclamation. The party had great hopes of winning the independent and progressive votes on the basis of the President's domestic legislation and his appointment of liberals to the Supreme Court. In the summer of 1916 Wilson signed the Owen-Keating bill to bar from interstate commerce any goods produced by child labor, a measure long desired by Beveridge and other liberals. The President's campaign managers attempted to popularize his foreign policy with the slogan, "He kept us out of war!" and at the same time suggested that Hughes was secretly allied with the disloyal "hyphen" element—a reference to German- and Irish-American supporters of the Central Powers. But the Democrats were worried about New York State, whose Tammany-led machine was in revolt against Wilson; only two Democrats, Madison and Buchanan, had won a presidential election without New York votes.

Hughes conducted a lawyer-like campaign in which he was careful not to jeopardize what seemed to be certain victory, although his criticism of Wilson's reforms antagonized many liberals. Friends who knew how brilliant he was intellectually were astonished at the endless platitudes in the name of "America First" which filled his

speeches. Moreover, his chances were seriously weakened in the important state of California, the happy hunting grounds of Hiram Johnson's progressives, when a feud broke out between the party's central committee and Johnson. Hughes himself did little to heal this breach and inadvertently weakened his chances further by attending a political luncheon at the Commercial Club in San Francisco where scabs were employed in open defiance of the city's powerful unions.

Wilson scored a major triumph on the "hyphenate" issue, which came to the forefront of the campaign. Jeremiah O'Leary, the truculent head of the anti-British American Truth Society, sought to organize the Irish- and German-American vote against Wilson and wrote the President an offensive letter questioning his sincerity and expressing the hope of his defeat in November. Wilson shrewdly chose to give this nation-wide publicity by releasing to the newspapers his reply to O'Leary, in which he said: "I would feel deeply mortified to have you or anybody like you vote for me. Since you have access to many disloyal Americans and I have not, I will ask you to convey this message to them." Skilled politicians like Joseph Tumulty and Colonel House considered this the best move of the campaign in discrediting the anti-British societies.

Early in September, 1916, a nation-wide railroad strike was called; in addition to interrupting the campaign, it threatened to cut off vital supplies for the Allies and to paralyze our own preparedness activities. In 1915 the four great railroad brotherhoods had demanded an eight-hour day instead of the existing ten-hour day, but with no decrease in pay scales and time and a half for overtime. These demands were stubbornly resisted by the operators, who claimed that their profits were limited by the low rates fixed by the Interstate Commerce Commission, by the higher costs resulting from the newly required safety devices and workmen's compensation acts, and by the general rise in the price level. In a personal appeal to the patriotism of both sides Wilson on August 12, 1916, proposed arbitration, but failed to win over either side. Thereupon the brotherhoods voted to strike at midnight on September 4, the day before Labor Day; the strike order affected nearly 400,000 men.

Wilson's next step set a record for speedy congressional action. Appearing before a joint session on August 29, he asked for legislation that would halt the strike. He warned that the nation's economic life faced a complete breakdown and he called for an eight-hour day and

a factual study of possible rate increases by the ICC. He also sought (but failed to secure) greater power for the Commission, provision for effective mediation, conciliation, and arbitration, and emergency powers that would enable the government to take over the railroads and if necessary draft all their employees into military service. On September 3, a few hours before the strike was to begin, the Adamson Eight-Hour Law, which embodied his chief recommendations, was sent to Wilson for his signature. Although the strike was immediately called off by the unions, the operators refused to put in the new wage scale until after the Supreme Court had upheld its constitutionality. Hughes' denunciation of the bill swung progressives to Wilson; conservative members of the press branded the act as cheap politics to win the labor vote.

Election day brought some of the uncertainties of the famous disputed election of 1876, for the results indicated victory at first for Wilson, then for Hughes, and then for Wilson again. By evening it was clear that Hughes had carried New York State and the industrial Northeast and was winning most of the Middle West as well; the next morning even staunch Democratic newspapers conceded a Republican victory. However, later that day Colonel House's prediction of a clean Democratic sweep in the "Bryan country" and the Far West as well as the South began to be realized. California's electoral votes ultimately became the margin of success; Wilson won 277 to Hughes' 254. The popular vote gave Wilson 9,129,600; Hughes, 8,538,200; and Allan Benson, the Socialist candidate, 585,100. Altogether, the President's total well exceeded that of 1912, even though his electoral votes fell off. The Democrats also triumphed in the congressional elections, retaining control of both houses. This close battle forecast the Republican return to power in 1920.

The Failure of "Peace Without Victory"

With the election over, Wilson hoped to resume his role of peacemaker. The European struggle seemed to be degenerating into a war of attrition in which both sides were stalemated in strongly fortified trenches facing each other. On December 12, 1916, Germany suggested that both sides discuss peace, and six days later Wilson, acting independently, addressed similar notes to each belligerent, asking for a statement of its war aims and suggesting the creation of a League of Nations. Germany's reply recommended only a conference of the

belligerents. The Allies, on the other hand, although insisting that Wilson's step was premature, expressed their war aims as the reorganization of Europe on the basis of nationalities (this meant the dismembering of Austria-Hungary), the political restoration of Belgium, Serbia, and Montenegro, and the payment of various indemnities. Thereupon Wilson addressed the Senate on January 22, 1917, in behalf of "peace without victory" as the foundation of a League for Peace in which the peoples of the New World also would cooperate. Its principles would include equality of all nations, democratic government, freedom of the seas, and partial disarmament. He proposed that the Monroe Doctrine be made universal by extending it to protect every nation, small as well as large, from domination by other nations.

The Allies' unsatisfactory reply to Wilson's note of December 18 strengthened the determination of the German military leaders to press the war to a conclusion regardless of cost, and correspondingly weakened the political leaders who, struggling desperately to keep the United States out of the war, had up to now managed to restrain the militarists. On January 9, Hindenburg and Admiral Holtzendorf informed the German government that no chance for a negotiated peace remained and that resumption of the intensive submarine warfare would starve Britain into submission before American armed forces could become effective. This policy was motivated not by fear of our munitions exports but by the belief that the unusually poor harvests of 1916-1917 in Great Britain and North America might make it possible to isolate England by means of unrestricted U-boat warfare within four to six months and thus end the war. This was made clear later, when Bethmann-Hollweg, the former Chancellor, testified before the Reichstag in 1919 as follows: "The U-boat war meant a break and later war with America. It was on this point that for years the argument between the military and the political branch had turned. The decisive point was that the Supreme High Command of the Army from now on was absolutely determined to assume the responsibility of the risk which an American war meant."

War

On January 31, 1917, the German government announced that on and after February 1 submarines would sink all ships, including neu-

ual vessels, that entered the waters around the British Isles, France, and Italy, or the eastern Mediterranean. Germany magnanimously made a concession in allowing one American vessel to pass each week through a designated shipping lane in the war zone, provided it carried no contraband and was painted with broad red and white stripes. This move stunned Wilson, for in view of his earlier statements it left him no alternative but war. On January 4 he had said to Colonel House: "There will be no war. This country does not intend to become involved in this war." To enter the conflict at this time, he went on, would be a "crime against civilization." Moreover, he had begun to be skeptical regarding the Allied motives, and our relations with Great Britain as a result of the blockade had seldom been worse. The German ambassador later commented: "After January 31, 1917, Wilson himself was a different man. Our rejection of his proposal to mediate, by our announcement of the unrestricted U-boat war, which was to him utterly incomprehensible, turned him into an embittered enemy of the Imperial Government."

After consulting his Cabinet, Wilson asked Congress on February 3 to sever diplomatic relations with Germany. In view of the long-standing friendship between the German people and ourselves, he said, only overt acts of hostility would convince him that Germany intended to carry out her new policy. His own opinion was made clear in his comment to Tumulty regarding the German announcement: "This means war. The break that we have tried so hard to prevent now seems inevitable."

Overt acts were not long in coming. On February 26 Wilson informed Congress of the sinking of two American ships and requested authority to arm merchant vessels. The House acted promptly, but the measure was shelved in the Senate when twelve Senators led by La Follette filibustered until the end of the session. These insurgents were convinced that such a bill meant the end of neutrality and the advent of actual war. Wilson publicly asserted that "a little group of willful men have rendered the great government of the United States helpless and contemptible." On being advised of his inherent emergency powers as President, Wilson acted independently of Congress on March 12 and ordered merchant vessels to be armed.

Among the factors that strengthened the President's position was the nation-wide outcry early in March over the Zimmermann con-

spiracy. On January 19, 1917, the German Secretary of State, Alfred Zimmermann, sent a telegram to the German Minister at Mexico City, outlining a military alliance with Mexico in the event that Germany became involved in war with the United States. "We shall give generous financial support [to Mexico]," the telegram read, "and it is understood that Mexico is to recover the lost territory in New Mexico, Texas, and Arizona." The President of Mexico was to offer to mediate between Germany and Japan; if this were successful it might bring the Japanese into a hostile alliance against the United States. The telegram, which had been intercepted and decoded by the British intelligence service, served to awaken Americans to the immediacy of war as few other things could.

Additional overt acts occurred in March. On March 12 a submarine sank the *Algonquin*, an unarmed American merchantman. A week later the public learned of the sinking of three more such vessels, with heavy casualties among the crews. This news solidified the Cabinet's prowar sentiment, and by the end of March Wilson himself was convinced that the time had come for a declaration of war. A new note was added when the autocratic regime of Czar Nicholas II was overthrown by a revolution, then in its democratic phase. Free of the liability of a despotic government as an ally, Wilson and House could envisage a "war for democracy."

On the evening of April 2, 1917, the President addressed a joint session of the new Congress. "The present German submarine warfare against commerce," he declared, "is a warfare against mankind. . . . Neutrality is no longer feasible or desirable where the peace of the world is involved and the freedom of its peoples, and the menace to that peace and freedom lies in the existence of autocratic governments backed by organized force which is controlled wholly by their will, not by the will of the people. We have seen the last of neutrality in such circumstances." His remark, "We have no quarrel with the German people," made it clear that he held the German government solely responsible for the war. Aggressive designs, he contended, could not thrive when popular opinion ruled and no privileged class existed.

He saw the beginning of a new era of world coöperation after the war. The "wonderful and heartening things" that were taking place in Russia he hailed as marking the accession of fresh democratic

forces in the fight for freedom and justice. The overthrow of autocracy heralded the recovery of the "great generous Russian people . . . in all their naïve majesty and might. . . ." The Prussian autocracy, he said, had long demonstrated its untrustworthiness, its tendency to spy and intrigue abroad—even, as witness the Zimmermann plot, at the threshold of the United States herself. Our fight, then, would be "for the ultimate peace of the world and for the liberation of its peoples, the German peoples included; for the rights of nations great and small and the privilege of men everywhere to choose their way of life and of obedience."

Then in powerful and inspiring language which aroused hopes whose later blighting by circumstances caused the cynical to laugh, Wilson said: "The world must be made safe for democracy. Its peace must be planted upon the tested foundations of political liberty. We have no selfish ends to serve. We desire no conquest, no dominion. We seek no indemnities for ourselves, no material compensation for the sacrifices we shall freely make. We are but one of the champions of the rights of mankind. We shall be satisfied when those rights have been made as secure as the faith and the freedom of nations can make them."

Wilson's innate pacifism became evident toward the end of his message when he observed sadly: "It is a fearful thing to lead this great peaceful people into war, into the most terrible and disastrous of all wars, civilization itself seeming to be in the balance. But the right is more precious than peace, and we shall fight for the things which we have always carried nearest our hearts, for democracy, for the right of those who submit to authority to have a voice in their own governments, for the rights and liberties of small nations, for a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world itself at last free."

An enthusiastic Congress cheered Wilson when he ended his speech, although six isolationist Senators prepared to vote against the war resolution. Senator George W. Norris of Nebraska, the progressive leader, rose to present the isolationist case that was to become popular in the mid-1930's at a time when he himself had begun to change his mind. He blamed the crisis upon the propaganda activities of the international bankers who had made loans to the Allies

and upon profit-seeking munitions makers. "We are going into war upon the command of gold," he charged. La Follette, who had long offered similar arguments, turned to the issue of the freedom of the seas: "The failure to treat the belligerent nations alike, the failure to reject the unlawful 'war zones' of both Germany and Great Britain, is wholly accountable for our present dilemma. . . . One alternative is to admit our initial blunder to enforce our rights against Great Britain as we have enforced our rights against Germany. . . . The other alternative is to withdraw our commerce from both. The mere suggestion that food supplies be withheld from both sides impartially would compel belligerents to observe the principle of freedom of the seas for neutral commerce." On April 6, 1917, after the Senate had voted for war 82 to 6 and the House likewise 373 to 50, President Wilson affixed his signature. Thus in the eyes of Wilsonian idealists the European war, whose cause Wilson believed lay in commercial rivalry, was transformed into a world peace crusade by the entrance of this country into the struggle. After the battle, it was expected that a democratic social order would emerge.

Latin America, on the whole, endorsed Wilson's war message. Ties of interest if not sentiment were responsible for the breaking off of diplomatic relations by many states with the Central Powers. Cuba and Panama, bound by treaties with this country, quickly declared war. Honduras, Nicaragua, Haiti, and Guatemala followed, thus checking the danger of German espionage plots in the Caribbean. Brazil declared war in October, 1917, after German submarines sank two of her vessels. Diplomatic relations with Germany were soon severed by Peru, Ecuador, Bolivia, Uruguay, and Costa Rica, thus removing a possible source of embarrassment to our own war effort.

Argentines favored war with Germany, particularly after the infamous Luxburg dispatches. On May 19, 1917, Count Luxburg, Germany's minister to Argentina, advised Berlin regarding submarine policy in these callous terms: "I beg that the small steamers *Oran* and *Guazo* [Argentine vessels] . . . may be spared if possible, or else sunk without a trace being left [*spürlos versenkt*]." English and American intelligence men intercepted this message and sent it on to Argentina, where its publication stirred up serious riots against the German residents. But President Hipolito Yrigoyen, intent on domestic issues, refused to do more than to ask for Luxburg's dis-

missal. Mexico's neutrality seemed cold to Wilson; popular sentiment had not forgotten the well-intentioned but bloody seizure of Vera Cruz and the undeclared war with Pershing's troops. Nevertheless, the Mexican-German alliance suggested in the Zimmermann note never materialized. Chile, torn by internal crises and the home of numerous Germans, also elected to remain neutral. Colombia stood aloof because of her grievance at losing Panama through the intervention of Roosevelt. But on the whole, a large measure of hemisphere coöperation against the Central Powers had been achieved.

Chapter 8

"A PEOPLE'S WAR"

Drafting a Nation

"The great fact that stands out above all the rest," observed Wilson in his Flag Day speech in 1917, "is that this is a People's War. . . ." With the crusading zeal of Peter the Hermit, the one-time college professor prepared to lead the masses—including the German people—against the autocracy he believed inherent in the Prussian militaristic spirit. These idealistic pronouncements ultimately penetrated into Germany; their effectiveness, comparable to that of Marshal Foch's artillery, seriously alarmed Hindenburg and Ludendorff. America's entry into the war seemed to transform the struggle overnight into a crusade for social democracy whose revolutionary implications might well give pause to the Allies themselves. Failure to satisfy Wilson's liberal ideals could lead to a mass disillusionment whose consequences no one could foresee. Even though Wilson may have known that the Allied leaders had already concluded secret treaties which dismembered the enemy in traditional fashion, he relied on the power of a democratic public opinion to achieve a coöperative world order in spite of selfish leadership.

Conscious of the magnitude of modern war, the President warned the nation on May 18, 1917, that few could expect to remain untouched by the existing conflict. "In the sense in which we have been wont to think of armies there are no armies in this struggle," he said; "there are entire nations armed. . . . The whole Nation must be a team in which each man shall play the part for which he is best

fitted." The eighteenth-century ideal of a professional army which left the bourgeois citizen free to pursue his daily life quietly above the din of battle was shattered by the French Revolution with its emphasis on a "nation in arms." Just as that struggle had improved on Bourbon experiments with mass troop levies, so the rising German state had perfected the organization of an entire nation geared to war. Nothing less than a similar nation-wide effort in the United States would suffice for victory.

When the movement for preparedness was first organized, Wilson fought military conscription, for it was his belief that a call for volunteers would result in an overwhelming response. For example, England, always averse to the Continental practice of compulsory military service, had relied on volunteers during the first eighteen months of the war. Before April 6, 1917, however, the President had been entirely converted to the idea of a draft and was working closely with Secretary of War Baker and Major Enoch H. Crowder to assemble the conscription machinery. Although it was believed that America would make her major contribution to the war effort by furnishing supplies rather than an expeditionary force, the latter, too, was essential, and the desire to have "every man in the right place" made conscription the most effective method of recruiting. Many Congressmen, recalling the bloody riots of the Civil War and fearful of their constituents' reaction, bitterly assailed the Selective Service bill. Speaker Champ Clark went so far as to say that "there is precious little difference between a conscript and a convict." In spite of further controversy over age limits, the administration forces won and the bill became law on May 18; it gave the President broad powers in enforcing it.

All men between twenty-one and thirty inclusive were ordered to register for war service on June 5 at their regular voting places, it being Baker's idea that civilian draft boards rather than military recruiting officers would soften the transition to Army life. Volunteer medical, legal, and other specialized staffs, coöperating with state and local officials, supplied the conscription machinery. Over 9.5 million men registered. Generous exemptions were made in the first draft in the case of men with dependents, men skilled in war industries, certain high elective officials, ministers and theological students, pacifists and other "conscientious objectors" to war, and certain classes of

aliens. Captain Hugh S. Johnson, a colorful and vigorous administrator who as General Johnson became famous two decades later in connection with the NRA and the Blue Eagle emblem signifying industrial coöperation, originated the basic provisions of the Selective Service Act and assisted Major Crowder in preparations for the actual draft. The first drawing was made in the Senate Office Building on July 20, 1917, by Secretary of War Baker, who, blindfolded, drew the capsules containing the draft numbers from a large glass bowl.

Antidraft and antiwar demonstrations promptly broke out in the large cities. In Boston, Socialists carried placards reading, "If this is a popular war, why conscription?" Thousands of antiwar pamphlets were circulated by pacifist, radical, and pro-German elements. The pacifist Farmers' Non-Partisan League in the Dakotas brought public condemnation upon itself for its stand. The governor of Minnesota had to intervene to stop the People's Council of America for Democracy and Peace, an antiwar organization, from holding a meeting in Minneapolis. All these pacifist demonstrations were systematically stamped out by federal and local authorities aided by zealous citizens. Neither antiunion elements nor patriotic groups were displeased when IWW headquarters were closed by federal agents on the charge of "obstructing the recruitment and enlistment service of the United States."

Some 338,000 draft evaders—almost half remained at large—constituted the major problem of enforcing the draft. Police covered poolrooms, ball parks, and other recreation centers in an effort to trap "slackers" who were unable to produce a draft registration card. There was a boom in marriages, but it collapsed quickly when it was announced that these belated unions carried no exemption. Men who fled to Mexico found themselves isolated by the contempt of the native population.

A Nation in Arms

As soon as the United States entered the war, Wilson and an Anglo-French mission agreed that a token force of two thousand men would be sent overseas under General John J. Pershing, to be followed in the summer of 1917 by enough additional men to make up a full division. Hence, in accordance with the War Department's original plan calling for a large defensive army at home, by the end

of 1917 over half a million men were undergoing rigorous training in huge, hastily constructed Army camps resembling miniature cities. But the collapse of Russia that summer, together with further reverses in France and Italy, led the Allies to adopt a policy of attrition in France until large-scale aid from us could restore the balance in our favor. Accordingly, the Army was expanded to over 1.25 million men by the spring of 1918. At the same time, more than 100,000 officers were rapidly recruited from special training camps, college military units, and men on the inactive list. This sudden increase bred considerable confusion within the War Department in readjusting supply services, especially clothing, and pneumonia took a heavy toll in northern camps that winter.

As the war progressed, new sources of manpower were tapped. A special registration was ordered on June 5, 1918, for men who had reached their twenty-first birthday during the preceding year; the draft lists were swelled by almost a million new names. On August 31, 1918, another draft registration was held for men between eighteen and forty-five; almost 13.5 million men and boys registered. Many of these men, it was believed, would be needed for the victory drive in 1919. Furthermore, this census was valuable as a basis for the new "work or fight" program in which able-bodied men would be allocated to industry or the fighting front as required.

Despite initial problems, the morale of the soldiers was high. Considerable success followed the introduction, on a gigantic scale, of psychological testing as a means of selecting the right man for each post. Postwar progress in intelligence and achievement testing was heavily indebted to these experiments. Morale was further raised by the clubhouses, Christmas parties, vaudeville performances, movies, and concerts provided by such organizations as the Red Cross, the YMCA, the Knights of Columbus, the Salvation Army, and the Jewish Welfare Board. The Army learned to sing, and "Tipperary," "Keep the Home Fires Burning," "Good-Bye Broadway, Hello France," and "Over There" quickly became favorites. Irving Berlin, then a sergeant in a New York camp, struck a popular note of "doughboy" humor in his ditty, "Oh! How I Hate to Get Up in the Morning!"

In choosing Army leaders Wilson was indebted to the pioneer work done by his Republican predecessors. Elihu Root as Secretary

of War under McKinley and Roosevelt had created the General Staff in 1903 as a planning group to study the technical needs of possible future theaters of operations and to plan for the mobilization and strategic use of all the forces required by the nation. He was also instrumental in replacing seniority, the conventional basis for promotion in the Army, with merit. John J. Pershing, whom Wilson chose as commander of the American Expeditionary Force, had already been recognized as a skillful organizer by President Roosevelt, who had promoted him from captain to brigadier general—a long step forward.

Pershing, who was fifty-seven years old in 1917, had had experience in Cuba, the Philippines, and Mexico; a visit to Europe had given him a speaking knowledge of French. His appearance was impressive and his personal qualities were solid if not brilliant. A firm believer in offensive warfare in the open field, he tended to minimize the importance of defensive trench tactics. He found his task as commander of the AEF a heavy one and felt that the assistance he might have received from the General Staff had been reduced by congressional economies and the Chief of Staff's failure to anticipate a possible increase in the AEF. Wilson realized the political danger in appointing a lifelong Republican like Pershing as commander, for presidential aspirants always emerged from among the victorious generals after every war. Nevertheless, the nation's interests made the selection of Pershing imperative. When Pershing refused to appoint General Leonard Wood to an overseas post under circumstances that publicly humiliated the latter, Wilson loyally bore the severe newspaper criticism that followed.

"Over There"

In the spring of 1918 arrangements were made with the British government to assist in the mass transportation of our troops to France. The steady stream of heavily loaded American troopships that were sent to France suffered few losses because of the huge Anglo-American convoys that protected them from submarines. At the end of 1917 there were only 195,000 American soldiers in France, but when the armistice was signed in November, 1918, almost two million men out of a total of 3.5 million had already arrived in France, and three-fourths of these newcomers had been in actual battle on the western front.

Wilson and Pershing agreed that our men should constitute a separate American army instead of being scattered among the depleted Anglo-French forces as the Allied High Command advised. This goal of an independent force could not be achieved before August, 1918, because the restricted shipping facilities limited us to transporting infantry and machine-gun units without any artillery. Another important factor was the pressing need for infantry reinforcements for the battered British and French units thrown against Hindenburg's spring offensive in 1918. When the armistice was signed, American soldiers were still using our allies' artillery and airplanes.

Despite their inexperience in actual large-scale warfare, the AEF showed a buoyant offensive spirit that gave their war-weary allies new encouragement. Their superb skill with the rifle won the admiration of French and British alike. Official German reports revealed later that the enemy too was impressed by the effectiveness of our men, particularly their steadfastness in the face of withering gunfire. A London *Times* war correspondent, after observing our machine gunners in the bitterly contested battle of Château-Thierry in May, 1918, sent this enthusiastic wire to his paper: "These are allies worth having. That is what the French feel and say, and every Englishman will agree with him."

After occupying the extreme southern end of the western front in October, 1917, our men held but 1 percent of the long Allied lines by the opening of the new year. So rapidly did we move after this, however, that at the armistice our forces were holding almost one-quarter of the entire front. Engaging at first in raids along the quiet Lorraine sector, they carried on full-scale offensives during the spring of 1918. At Château-Thierry American soldiers aided by French colonials helped to block the German advance to Paris early in June, and soon afterward they opened a vigorous counteroffensive at Belleau Wood, clearing a critical point of machine-gun nests and recapturing several villages.

When the final German offensive of July 15 began to slow up, Marshal Foch gave the signal for a mighty counterdrive in which Americans fought at various points, especially between Soissons and Château-Thierry. Led by the experienced First and Second divisions, our men acted as a spearhead and forced the Marne salient; the attack compelled the Germans to retreat. The final phase of the campaign was begun on August 30, 1918, when Pershing prepared to

throw more than a million men into a major independent drive against the St. Mihiel salient at the southern tip of the Hindenburg Line in order to free the Paris-Nancy railroad from a paralyzing German fire and open the road to the strategic iron basin at Briey. This army went into action on September 12, pinched off the salient, and captured 16,000 prisoners and 150 guns at the relatively moderate cost of 7000 casualties. As the British and French drives to the north developed, a huge American force of 1,200,000 troops began to pour through the Meuse-Argonne sector toward Sedan on September 26. Although the French leaders criticized the faulty staff work to which they attributed our heavy losses—120,000 men—in the Argonne Forest, all our objectives were taken, including thousands of German prisoners and considerable equipment. The British breakthrough of the Hindenburg Line on the north in a converging attack which complemented the Franco-American thrusts to the south made the enemy realize his defeat. Accordingly the Germans requested an armistice, which they formally accepted at 11 A.M. on November 11, 1918.

When the reckoning was made, some fifty thousand Americans had been killed in action and another quarter of a million had been wounded. The French lost over 1.33 million killed; the British, over 600,000 killed. Russia and Germany both suffered staggering losses.

While the American Army performed a brilliant role in the war, our Navy also lived up to its historic traditions, despite the altered conditions of sea warfare. Under Josephus Daniels, the Navy Department reached a high level of efficiency; its personnel expanded from an initial 65,000 men to almost half a million in November, 1918. Assistant Secretary Franklin D. Roosevelt, like Theodore Roosevelt in 1898, showed considerable foresight in the strategic allocation of the fleet on the eve of our entrance into the war. Rear Admiral William S. Sims, who was in command of naval operations, had long since demonstrated his originality as tactical expert and had instituted significant changes, especially in raising the standards of marksmanship and inventing an excellent system of fire control. Although the vociferous Hearst press and its satellites timorously insisted that most of our Navy be kept at home for coastal defense, Sims came out in favor of offensive operations abroad. Since the major portion of the German fleet was immobilized by the British

blockade, our Navy's task was to strengthen convoys, hunt down submarines, engage in extensive mine-laying operations in the North Sea, and clear away the enemy's mines elsewhere.

Beginning in the spring of 1918, a wave of submarine attacks on American shipping brought the war to our Atlantic coast, especially off Virginia. Germany boasted of her new submarines which could cross the ocean, and panic-filled Americans saw the shadow of a periscope everywhere along the Atlantic. To the sharp criticism which began to be leveled against the Navy Department, Secretary Daniels replied firmly: "The activities of the German submarines off the American coast have not in any way changed the policy of the Government. . . . There will be no weakening of our naval forces in European waters as a result of the new activity on our coast." The convoy system and our efficient antisubmarine devices eventually prevented the U-boats from paralyzing Allied shipping, and the newly awakened energies of American shipbuilders rapidly replaced the ships that were lost.

Despite his pacifist background, Wilson could be as realistic as professional Army and Navy men in devising offensive strategy, and he sharply criticized what he called the "prudence" of the British fleet. He was a party to our Navy's ambitious plan of laying over two hundred miles of mines in the North Sea area and he advised that the submarine menace be combated at its source. Marshal Joffre of France, who visited Wilson during the spring of 1917, praised his "perfect mastery of the military situation." When Allied fortunes were threatened by the unchecked German drive early in 1918, it was Wilson who urged a unified command under General Foch.

A War Economy

The First World War, because of its extensive operations and its new mechanized aspects, raised the importance of the home front to unprecedented heights. To equip, feed, and transport millions of soldiers required another army of civilian workers trained to meet the unique production demands of large-scale warfare. These efforts involved the raising of the President's authority to extraordinary heights and a degree of governmental centralization whose influence would inevitably remain even after the conflict ended. The fact that Wilson's New Freedom involved far-reaching federal control over

business in peacetime made conservatives fear that "war socialism" might become permanent. Liberals were apprehensive lest the civil liberties so painfully acquired through the ages be destroyed as the result of the enormous powers conferred on the President as commander-in-chief of the nation's armed forces.

Republicans, suspicious that the fortunes of the Democrats might be enhanced by the powers granted the administration, pressed for a voice in the government. When the War Department seemed bogged down by the sudden change in Allied plans at the end of 1917, Theodore Roosevelt thought the moment opportune to demand a bipartisan Cabinet. But Wilson refused to yield to this proposal on the ground that it would end unified direction of the war, although he showed every willingness to give able Republicans key positions in the government. He propitiated the leaders of business by giving them important posts on the home front, and a stream of "dollar-a-year men" began to flow into Washington.

As early as the preparedness drive of 1916 it had become clear that someone would have to coördinate and fit into a central plan the many new defense agencies that had suddenly sprung up. A Council of National Defense, consisting of Cabinet members, had been created for this purpose in 1916; but the actual work had been turned over to an advisory commission which became eventually the War Industries Board. This body was reorganized early in 1918 and given more executive power under its chairman, Bernard Baruch, a remarkable combination of shrewd Wall Street broker and enlightened socially-minded statesman.

Struggling with limited authority, the Board tried to coördinate industry chiefly through such pressures as the threat to curtail the priority rating on materials of stubborn industrialists. If necessary, the Board could even nationalize a factory. It cut down drastically the wasteful or nonessential uses of labor, capital, and equipment. Consumers were persuaded to carry their own packages home, to accept substitutes, and to give up commodities that required steel or tin. The protests of industrialists kept price controls by the WIB from going beyond the wholesale level, leaving the ultimate consumer without direct protection against war profiteering.

The War Industries Board did a great deal to spur on scientific management, "Taylorization," in private industry. The number of

styles or types of products were reduced or simplified wherever possible, thus stimulating the use of mass production methods in making standardized goods through standardized processes. Industry showed a marked enthusiasm for the new technique of selecting and managing personnel that was taught by the engineering disciples of Frederick W. Taylor through scientific management. Psychology, so vital to the war effort in finding the right man for the right place, assumed a new importance in the world of industry.

As the war economy grew, civilian goods declined in output. The total national product, which had expanded 14 percent above 1914 levels before America's entrance into the war, was only one point higher in 1918. Still, the physical plant of many key industries, such as auto production and related fields, expanded so greatly that these factories insured greater productivity after the war. In terms of the shrinking dollar, national income advanced from \$35 billion in 1916 to \$49.5 billion in 1918; and the momentum of war production before the crash of 1920 halted it brought this figure to nearly \$61 billion by the latter year. Manufacturing did particularly well, reporting an income of \$8.7 billion in 1916, \$13 billion in 1918, and \$16.8 billion in 1920. Corporate profits in steel, copper, lumber, oil, and meat packing soared. The United States Steel Corporation, which had issued 5 percent dividends before 1917, could now afford 18 percent dividends. Taxes did not arrest this unique prosperity. World War I ended with 42,000 millionaires reported of whom 1700 were recent additions. The rest of the economy, however, fared much more modestly than the leaders of the war industries.

Farmers, except for the southern cotton growers, who lost much of their European market, enjoyed a substantial prosperity—as long as it lasted. They felt encouraged by the current high prices (despite government controls) and unlimited demand to expand their farms; many of them went heavily into debt by buying up marginal lands in the semiarid West. Agriculture reported a national income of \$7 billion in 1916, \$11.6 billion in 1918, and \$12.7 billion in 1919. All this was accomplished with no appreciable addition to the number of farmers, although they were exempted from war service. Ahead unfortunately lay the disastrous postwar collapse of staple farming.

Europe's war needs led to a sharp rise in American exports, creating a serious inflationary effect since it reduced the domestic supply

of goods. The war also extinguished the permanent debt owed Europeans by American citizens, particularly because of the huge loans and credits extended abroad. Wartime loans to the Allies came to over \$7 billion, and postwar credits for European reconstruction exceeded \$3.2 billion, altogether a \$10 billion investment that was destined to remain unpaid. As a result of the war, the United States became a powerful creditor nation with an economic status that was completely out of joint with the postwar policy of high tariffs and political isolationism.

Labor's Status in Wartime

War brought with it an inevitable rise in the cost of living. Retail prices that in 1916 had been 8 percent above 1914 base figures rose to 28 percent above that base in 1917 and 50 percent during the following year. Dr. Paul Douglas, an authority upon real wages, concluded that the annual real earnings of all wage earners advanced only slightly over 1914—and that was a depression year. High wages melted away in the face of rapidly rising store prices, soaring rents, and taxes. Among the worst off were the unorganized white-collar workers, whose purchasing power fell far below 1914 levels. However, full employment for women and youngsters as well as men kept the family income high, even if this brought other social problems with it. The princes among wageworkers were in the metal trades, the shipbuilding industry, and meat packing all of which felt the fullest stimulation of the war. So great was the need for skilled men that personnel managers raided rival plants with the bait of high wages and attractive working conditions.

When a mounting wave of strikes and lockouts induced by the rising cost of living swept the country during the fall of 1917, President Wilson intervened and by presidential proclamation established the National War Labor Board. Ex-President Taft and Frank P. Walsh were selected as cochairmen, and the remaining members were drawn equally from the American Federation of Labor and the National Industrial Conference Board, an employers' organization.

The new Board, which was empowered to act in disputes between labor and management, embodied a pioneer step in democratizing labor relations. Its expressed ideal was a living wage, and to this end the President guaranteed labor the right to organize unions and to

bargain collectively; even the closed shop was sanctioned under certain circumstances. Cochairman Taft, to the surprise of his colleagues, proved aggressively prolabor, in contrast to his former legalist conservatism. Munitions plants, such as the Smith & Wesson Arms Company of Springfield, Massachusetts, which resisted unionization by forbidding prospective employees to join a labor organization, were commandeered by the War Department. A clash with the Western Union Telegraph Company, which steadfastly refused to reinstate 450 men who had been discharged for union activities, led ultimately to the wartime nationalization of the telegraph and telephone industries. Recalcitrant workers also had to face a determined Board. For example, when the munitions workers in Bridgeport, Connecticut, struck for additional concessions which the Board considered unjustifiable, President Wilson warned them that they were liable to exclusion from employment in any war industry and that they would lose the military exemption allowed war workers by the draft boards. This quickly ended the strike.

The steady march of unskilled workers into industry brought with it a strong advance of industrial unionism against the well-entrenched lines of craft unionism. This held true even within the American Federation of Labor, whose dues-paying membership increased by two million between 1917 and 1920. This gain was made largely in mining, shipbuilding, railway shops, packing houses, and federal agencies. Union membership as a whole increased over 70 percent during the period 1914-1920. Most of the new members were men, for although women invaded the ranks of elevator operators, munitions workers, streetcar conductors, and messengers, few of them joined a union.

With the outspoken assistance of a sympathetic national administration, women made measurable gains in industry, despite the fears of feminist leaders. When the United States entered the war in 1917, Jane Addams predicted to Ida Tarbell: "Everything that we have gained in the way of social legislation will be destroyed. It will throw us back where we were twenty-five years ago." This pessimism proved unjustified, for Wilson, in creating the National War Labor Board, called for equal pay for men and women doing the same work. Although this turned out to be the exception in practice, appreciable advances were made along other lines. For example, women were

given unprecedented representation on key industrial boards such as the Board of Control of Labor Standards for Army clothing, of which Florence Kelley was a member. The leading defense organizations had their women's committees. The effect of this advance was evident when Julia Lathrop reported that the Children's Bureau had never before been engaged in such far-reaching activities. However, in too many cases, as Mary Van Kleeck, head of the Women's Branch of the Ordnance Department, later pointed out, the persistence of traditional prejudice toward women in industry meant flagrant violations of the labor laws pertaining to long hours and night work.

The wartime need for labor, intensified by the sudden curtailment of immigration, sharply accentuated the prewar migration of Negroes to northern cities. This new labor supply was rapidly absorbed by steel mills, packing houses, and automobile plants in Chicago, Detroit, and Pittsburgh. The newcomers overflowed the segregated areas into restricted white residential districts despite exorbitant rents, intimidation, and occasional riots. One such riot in East St. Louis, Illinois, in 1917 caused the death of thirty-nine Negroes and eight whites. Local union branches were dismayed by this new competition but took no effective steps to organize the Negroes, despite the potential threat to working standards. The Negroes' bitter race consciousness, already aggravated by the knowledge that colored soldiers were fighting abroad for democracy, deepened in such hostile environments.

Nationalizing the Railroads

The movement of troops and war materials put an unprecedented burden on the railroads. Early in the war, Wilson relied on the voluntary cooperation of the railroad operators, but conditions at the end of 1917 made it clear that individual patriotism and the profit motive were insufficient to give the war effort complete priority over purely civilian needs. For one thing, the railroad industry's strong individualist spirit, so characteristic throughout its history, prevented effective joint action by competing roads. Consequently, on December 26, 1917, Wilson proclaimed the complete unification of the railroads under a federal Railway Administration for the duration of the emergency; all private property rights were fully guaranteed. "Only under Government administration," the President told Con-

gress, "can an absolutely unrestricted and unembarrassed common use be made of all tracks, terminals, terminal facilities and equipment of every kind."

Secretary William G. McAdoo, as the new director general of the railroads, became the "dictator of traffic." Passenger service and civilian freight were cut to a minimum, and trains, tracks, stations, and other facilities were operated as a unit regardless of ownership; both schedules and rates were made uniform. Because federal rates did not cover the higher costs resulting from the government's uneconomic use of the railroads, additional subsidies from the federal Treasury had to be drawn to meet the payments guaranteed the stockholders. Since its primary concern was to win the war, the Railway Administration gave precedence to financially unprofitable traffic at the expense of more lucrative civilian traffic. Before the war ended, the telephone and telegraph systems were nationalized by the Railway Administration, and the leading express companies were consolidated under government management as the American Railway Express Company.

Many railroad officials, lamenting the government's tendency to "pamper" railroad employees, feared that federal policies would revolutionize labor relations completely. Long-standing restrictions to unionization were removed, and the privileged status of the powerful railway brotherhoods, whose membership was composed of the most skilled employees, was reduced by a new policy of equal treatment for all. Wage increases were granted frequently because of the high cost of living. The Adamson Eight-Hour Law, which offered time and a half for overtime, became firmly entrenched in the industry. Little wonder, therefore, that the employees vigorously resisted the postwar effort to turn the clock back to 1916. Management continued to hold the unionized shop committees responsible for a serious drop in efficiency, and opponents of government ownership cited this venture as proof of their contention.

Hoover and the Battle of Food

Wilson was also struggling with the vital problem of food. Herbert Hoover of California, whom Wilson appointed Food Administrator, had already demonstrated his ability along these lines as head of the Commission for Relief in Belgium. At the outbreak of the war in

Europe, Hoover, a graduate of Stanford University and a wealthy mining engineer, decided to devote himself henceforth to public service. He went to London, where Ambassador Page asked him to assist American refugees from the war zones. Page reported to Wilson that Hoover was a man of extraordinary energy and generosity.

After Belgium was reduced to destitution by the German invasion and the curtailment of vital food imports, Page asked Hoover to set up an emergency organization. The new Commission for Relief in Belgium was soon distributing \$5 million a month in foodstuffs alone; the thirty-five ships that sailed under its flag brought clothes donated by sympathetic Americans and wheat from the bountiful Argentine harvest, for American and Canadian crops were poor that year. "But for Hoover, Belgium would have starved," Page wrote Wilson. Hoover's work in Belgium was harassed by British charges—that the supplies of food often went to the Germans or encouraged them further to deplete Belgium's own supplies on the theory that the Americans would make good the loss. The German occupation authorities sometimes doubted the military expediency of feeding the rebellious Belgians.

Although, as Baruch later observed, the Food Control Act of August 10, 1917, "fairly bristled with penal provisions" for its enforcement and gave the President and the Food Administrator the authority of food dictators, Hoover chose to rely on voluntary cooperation. He told Wilson that he would ask the women of the country to help, and that his staff, except for the clerks, would be composed of volunteers; he himself would serve without payment. Pleased at this repudiation of bureaucracy, Wilson praised the "justified reliance upon the freedom of individual initiative."

Hoover's task proved to be crucial in winning the war. Early in 1918 Lord Rhondda, British Food Controller, cabled him: "Unless you are able to send the Allies at least 75,000,000 bushels of wheat over and above what you have exported up to January 1, and in addition to the exportable surplus from Canada, I cannot take the responsibility of assuring our people that there will be food enough to win the war." When this message arrived, our own wheat stocks were low—only thirty million bushels had been stored from our last harvest—Belgium needed fifteen million bushels if she was to avert starvation, and Cuba, on whom the Allies relied increasingly for sugar,

required ten million bushels. Nevertheless, Hoover replied to Lord Rhondda: "We will export every grain that the American people save from their normal consumption."

Wilson's influence over Congress enabled Hoover to prevent farmers from hoarding their crops in the expectation of higher prices; however, a Senate farm bloc put up a strong fight against this program. Speculation on the grain exchange was curbed. To encourage greater wheat production, the price of wheat for the farmer was fixed at \$2.20 per bushel; this was twenty cents above the minimum guaranteed by Congress. Women and children were urged to join a land army to combat the farm labor shortage. Wheat areas were expanded by forty million acres. Despite a severe drought during the summer of 1918, all types of farm production soared to record-breaking heights.

Hoover avoided using food cards and compulsory rationing for consumers. Instead, hoarders and profiteers were watched carefully; some dealers lost their licenses or were cut off from their source of supply. All wholesale food dealers, such as the great packing houses, were subject to a licensing system, and prices for basic foodstuffs like wheat, sugar, and meat were fixed after consultations with the major distributors. To provide shipping space for Cuba's exports of sugar to the Allies, the people accepted a voluntary form of rationing which limited each individual to three pounds of sugar per month; in July, 1918, this was cut to two pounds.

Most spectacular of Hoover's activities were those in behalf of food saving, a program popularized by George Creel's Committee on Public Information and its propaganda, such as the "Food Will Win the War!" posters. To "Hooverize" meant to live according to the "gospel of the clean plate"; so well was this lesson driven home to the American housewife that the decrease in garbage put some large collection agencies out of business. The wheatless and meatless days which helped to conserve essential foods for the Allies required no great sacrifice from the average citizen because ample supplies of other foods, particularly fruits and vegetables, were available. Hotels and restaurants were asked to cut down or eliminate the wheat products on their menus, and bakeries were expected to use substitutes for at least 20 percent of this grain in their bread. Even small home owners became farmers on a modest scale through war gardens. To a

nation where natural abundance encouraged wastefulness, the war food program had an intriguing element of novelty.

One significant provision of the Food Control Act authorized the President to forbid the manufacture of distilled spirits from foodstuffs. This was the first step toward prohibition. The sale and consumption of intoxicating liquors were temporarily prohibited in September, 1918, by the Agricultural Appropriation Act. Neither Wilson nor Hoover actually wanted prohibition as a wartime food control measure, for they believed that as a result beer drinkers would turn to whisky, which was more harmful and of which huge quantities of old stock were then available. Wilson advocated temperance or local option on prohibition but insisted that public opinion was the best regulator of the individual consumer. An important motive that gave prohibition a patriotic basis in some quarters was the bitter anti-German feeling created by the fact that many of the prominent brewers were German and hence were suspected of giving active aid to the enemy.

Screened behind a food economy measure, the dry forces, under the banner of the Anti-Saloon League, culminated a temperance crusade that had begun over a century before. Rural America, particularly the South, had already achieved prohibition by local action, for half of the states had voted to become dry. Nation-wide prohibition was to take permanent form with the passage of the Eighteenth Amendment in 1920. Grudgingly, the cities yielded to the will of the rural communities and undertook a half-hearted campaign against the saloon.

Another result of food control was our increasing economic hegemony over Cuba as we spurred the island on to produce one-fourth of the world's sugar. Using her dependence on American foodstuffs as a lever, the Food Administration exercised absolute control over the price of her sugar. A new federal corporation, the Sugar Equalization Board headed by Hoover, contracted for Cuba's entire crop at a price substantially below the world price. At the same time Hoover conceded the political wisdom of encouraging the organized American beet- and cane-sugar planters by granting them special price advantages. Despite this restriction on her profits, Cuba began to expand her sugar industry and attracted American capital in ever increasing amounts.

Financing the War

To pay for a modern global war raised questions not only of finance but also of social philosophy as to the distribution of the tax burden. The direct cost of the war that was paid off from current income was \$24 billion plus \$9.5 billion lent to the Allies. By 1918 the United States was spending one-fourth of her national income of \$62 billion for war purposes.

As the proponent of a "people's war," Wilson and his liberal associates ignored bitter criticism from business by putting through Congress a sweeping excess profits tax on corporate earnings. Certain war profits were taxed as much as 80 percent, and even the capital stock of corporations was subject to a steadily increasing levy. Excess profits taxes, though not as high as La Follette and his circle wished, were substantial enough to yield \$2.2 billion in the fiscal year 1917-1918 as compared to the income tax, which brought in only \$663 million. Excise and special taxes affected liquors, tobacco, furs, luxury items, theater admissions, public utility sales, and other revenue sources.

The new income taxes of the Revenue Act of October, 1917, reduced the exempt classes among married persons from those earning less than \$4000 a year to those with less than \$2000. Single persons earning less than \$3000 had formerly been exempt; now only those among them earning less than \$1000 belonged to the untaxed category. Surtaxes that had left alone those with taxable incomes below \$20,000 now reached into the incomes of all above \$5000; and surtax rates hitherto only 1 to 13 percent were replaced by a very steep schedule that ended with 63 percent. While this burden was light by European standards, it was a new experience for Americans.

As the war effort expanded, the administration found it expedient to secure the bulk of its revenue from public borrowing, notably by the sale of Liberty and Victory bonds. The lesson of the Civil War taught by Jay Cooke, the banker who had disposed of millions of dollars' worth of war bonds to the public, was revived by the propaganda of the Creel Committee on Public Information. Motion-picture stars like Douglas Fairbanks, Sr., and Mary Pickford were among the "four-minute men" to convert the wage-earning class to the habit of buying government bonds and war-savings stamps. Artists, cartoonists, and journalists also urged citizens to invest their savings in

bonds. The first Liberty Loan drive for \$2 billion in June, 1917, was oversubscribed; almost twenty million people responded to the second drive, in October, 1917, when the goal was \$3.8 billion. Altogether, of the \$17 billion collected in bond drives, about 30 percent was absorbed by the wage-earning class. Patriotism was one incentive; another was to escape the onus of being declared a "slacker" by neighbors. Those of German-American descent were scrutinized as to whether they had contributed a generous share to the bond drives.

Wartime inflation was aggravated, according to George Soule, the economist, by the consequences of the 1916 amendment to the Federal Reserve Act. This permitted the various Reserve banks to rediscount loans not only on the collateral of commercial paper, as hitherto, but also on the collateral of government bonds. "This at once gave the Treasury a means of expanding credit almost at will, entirely aside from the demands of business as long as the reserves were sufficient," writes Soule. "The more bonds sold by the Treasury, the more found their way into the banking system, and the more credit the banks could issue." This situation not only spelled inflation but also made it possible for the Treasury to direct the course of bank loans and credits toward wartime uses.

Creel's War

The Creel Committee, as the Committee on Public Information was often called, proved remarkable in many ways besides selling war bonds on a mammoth scale. It represented a novel experiment in organized propaganda calculated to aid the war effort both at home and abroad. George Creel himself, a Denver journalist and an "original" Wilson man, had a crusader's temperament mellowed by a sense of humor. His journalistic gifts of persuasion had been signally demonstrated during the campaign of 1916, when he showed himself an effective champion of the New Freedom.

Wilson, who disliked censorship of the press even in wartime, was consequently impressed by Creel's argument that "expression, not repression" provided the remedy for disloyalty and war weariness. The program Creel outlined called for carrying our war aims to the man in the street, to Allies and neutrals, and, above all, to the enemy. Censorship should be voluntary and achieved by indirection, he maintained. An aroused public opinion would be more effective

against disloyalty than any censor's arbitrary pencil. Newspapers, thirsty for real news under war restrictions, welcomed the exciting releases his committee offered them. Ultimately some 150,000 men and women from every walk of life participated in its far-flung activities. Creel's tactics were assailed by fastidious critics as pugnacious and intrusive, but his surprising success marked him as a master of mass psychology.

Creel's unyielding refusal to permit the publication of news that would aid the enemy was tempered by the interesting news stories prepared and released by his staff. Although his stories were frequently colored in the Allies' behalf, few of them were actually challenged because of untruth. Creel's ubiquitous connections with the Censorship Board, the Post Office Department, and the Department of Justice were sufficiently well known to suggest the power he might exercise in the case of a refractory newsman. Fortunately he used his authority with considerable restraint, although some of his decisions, particularly in connection with books, were questionable. For example, Thorstein Veblen's thoughtful analysis, *Imperial Germany and the Industrial Revolution* (1915), was regarded as damaging to the war effort, and Postmaster General Burleson was asked to exclude it from the mails. In some cases radical labor propaganda was also conveniently disposed of as "pro-German."

Creel enlisted a host of scholars in several of the numerous divisions of his organization. Eminent historians in the Division of Civic and Educational Cooperation under Professor Guy Stanton Ford of the University of Minnesota published scores of pamphlets, articles, and encyclopedias to present the Allied case against Germany. Five and a half million copies of one pamphlet, *The Kaiserite in America*, were distributed. Some of the publications, especially those dealing with atrocities, were rather lurid for sober historians. There was a temptation to represent the extreme reactionary element in Germany as typical of the entire people. German *Kultur* became a sinister term for Teutonic brutality.

The Committee's divisions of labor publications and of industrial relations attempted to present the war as a conflict in behalf of better working conditions and greater regulation of capitalism by the government. Community singing was fostered to keep home morale high; the popular war song, "Keep the Home Fires Burning," was

typical. A film division, in line with a taste already discovered by Hollywood, offered "wholesome" pictures to the exhibitors, and crowds gathered to see the *Wolves of Kultur*, *The Prussian Cur*, and most popular of all, *The Beast of Berlin*. The prewar Mexican screen villains yielded to monocled German plotters, often impersonated by Eric von Stroheim. Loyalty was encouraged among alien groups by various bureaus which prepared translations of pertinent material for immigrants in the interest of Americanization. The sale of war bonds and the popularizing of the draft drew upon the artistic talents of the Division of Pictorial Publicity headed by Charles Dana Gibson, originator of the attractive Gibson Girl and Miss Columbia. James Montgomery Flagg's poster showing an American citizen's reaction to a newspaper report of German brutality—"Tell That to the Marines"—had a sensational effect, as did also the recruiting poster on which Uncle Sam had his finger pointed at the spectator—"I want YOU for the United States Army."

Extremely significant among Creel's diverse activities were his efforts to foster a revolution in Germany; in this he used Wilson's idealistic speeches as his major weapon. The name of one of his organizations, Friends of German Democracy, implied the coming of a new social order in that country. Creel made certain that Wilson's program for the postwar world reached almost every part of the earth through newspapers, pamphlets, books, and posters. Germany, he proudly observed, was deluged with this type of propaganda; nor did the Germans on the battle line escape it.

The Decline of Civil Liberties

Although during 1917-1918 Wilson devoted his energies to the restoration of freedom everywhere in the world, he seemed tragically unaware of the full extent to which federal and local agencies were repressing freedom at home. The responsibility rested in large part on the intolerant mob spirit that the war aroused. Exaggerated reports of sabotage, spies, and systematic draft evasion fostered this popular intolerance. Nearly two thousand federal and local court actions were taken during the war against the perpetrators of allegedly seditious acts, many of which were merely the expression of radical economic and social doctrines.

Acting at first in a more moderate spirit, Congress passed the Es-

pionage Act in June, 1917; this forbade any false statement which might injure the prosecution of the war and penalized any incitement to disloyalty or obstruction to recruiting. Much more restrictive was the Sedition Act passed on May 16, 1918; in effect it made punishable all statements calculated to bring into "contempt, scorn, contumely, or disrepute" our form of government, the Constitution, the armed forces, the flag, or the military uniform. Severe penalties up to twenty years' imprisonment were attached.

The effect of this legislation is made clear in Chafee's *Freedom of Speech*, in which he says: "It became criminal to advocate heavier taxation instead of bond issues, to state that conscription was unconstitutional though the Supreme Court had not yet held it valid, to say that the sinking of merchant vessels was legal, to urge that a referendum should have preceded our declaration of war, to say that war was contrary to the teachings of Christ." A boardinghouse or smoking-car dispute over one of these points might bring the participant to court. Under a Minnesota espionage law an individual was imprisoned for saying to a group of women who were knitting for the Army, "No soldier ever sees these socks."

The movies occasionally felt the strong hand of censorship. One film, *The Spirit of '76*, which was produced before the United States entered the war, was seized by federal agents acting under the Espionage Act, on the ground that the Wyoming Massacre, which was shown in it, was offensive to our British allies because it depicted them killing women and children. The prosecution claimed that this episode had been deleted in the version that was submitted to the censor. The producer, after being sentenced to ten years in a federal penitentiary, was paroled at the end of three years and emerged from prison a bankrupt.

Under the legal doctrine of "remote bad tendency," critical and especially radical journals lost their vital mailing privilege. This was the case with the New York magazine, the *Masses*, and Victor Berger's socialistic Milwaukee *Leader*, both of which were suppressed by Burleson. The mild protest made by the *Nation* against the conduct of a slacker roundup by New York police brought its temporary suspension. Periodicals that criticized the British Empire or showed pro-Soviet leanings likewise faced suppression.

Popular intolerance proved an active enforcement agency against

suspects. Citizens of German extraction were always subject to attack in certain rural communities. The German language was barred in the schools, and even German music, German food, and German names suffered at the hands of self-appointed patriots.

The First Amendment: Holmes and the "Clear and Present Danger" Doctrine

Three famous wartime cases affecting free speech under the First Amendment were decided by the Supreme Court in the 1919 session: *Schenck v. United States*, *Debs v. United States*, and *Abrams v. United States*, all of them involving antiwar Socialists. The brilliant legal pragmatist, Oliver Wendell Holmes, issued the majority opinion in the *Schenck* and *Debs* cases and a significant dissenting statement in the *Abrams* case.

In 1917, *Schenck*, the general secretary of the Socialist party, printed and distributed 15,000 propaganda leaflets addressed to draftees urging them not to "submit to intimidation," denouncing the war as a Wall Street affair, and asserting that a conscript was no better than a convict. In this case, Holmes agreed with his associates that this constituted a clear violation of the recruiting laws in wartime and was unjustified by the guarantees of free speech under the First Amendment. "The most stringent protection of free speech would not protect a man in falsely shouting fire in a theater and causing a panic," declared Holmes. Then he seized the opportunity to put the Supreme Court on record in favor of his particular doctrine of civil rights: "The question in every case is whether the words used are used in such circumstances and are of such a nature as to create a clear and present danger that they will bring about the substantive evils that Congress has a right to prevent. It is a question of proximity and degree. When a nation is at war many things that might be said in time of peace are such a hindrance to its effort that their utterance will not be endured so long as men fight and that no court could regard them as protected by any constitutional right."

Socialists found no comfort in the "clear and present danger" doctrine in the case of their leader, Eugene V. Debs, whose fate was decided shortly afterwards. Debs had deliberately courted imprisonment during the war in an effort to halt the prowar defections within his party and to show that he was completely opposed to the

war. In Canton, Ohio, Debs repeated in more emphatic form than ever what he had said a dozen times elsewhere—that the working class had nothing to gain and their lives to lose in a capitalist war. At the trial, Debs had even interfered with his own counsel's efforts to free him, obviously because he wished to use the opportunity for propaganda. "I have been accused of obstructing the war," he said. "I admit it. Gentlemen, I abhor war." In this case Holmes and his colleagues agreed that Debs used words with the intention of obstructing the draft; therefore, the Socialist leader received a ten-year sentence under the Espionage Law. Holmes felt that the law left no alternative in this case, although he privately wrote that he hoped President Wilson would pardon Debs. In prison, Debs ran for President in 1920 and polled nearly a million votes; in the following year, he was pardoned by President Harding.

In the case of *Abrams v. United States*, several Russian immigrants had thrown down from a New York roof leaflets urging that workers produce no arms that might be used by American troops in Siberia to overthrow the Bolsheviks. Although this was not aimed directly at the war with Germany, the majority of judges felt that the stoppage of military production must affect the European war as well as the Archangel expedition. Holmes wrote privately, "I believe there were many leaflets of much the same kind distributed in this country on which it was not thought useful to prosecute anyone." Together with Brandeis, he dissented from the judgment which upheld Abrams' sentence of twenty years' imprisonment under the Espionage Act. The famous Holmes dissent, already noted briefly in connection with the philosophy of pragmatism, may be quoted here at greater length as an influential philosophy of civil liberty:

But when men have realized that time has upset many fighting faiths, they may come to believe even more than they believe the very foundations of their conduct that the ultimate good desired is better reached by free trade in ideas—that the best test of truth is the power of the thought to get itself accepted in the competition of the market, and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution. It is an experiment, as all life is an experiment. Every year if not every day we have to wager our salvation upon some prophecy based upon imperfect knowledge. While this experiment is part of our system I think that we should

be eternally vigilant against attempts to check the expression of opinions that we loathe and believe to be fraught with death, unless they so imminently threaten immediate interference with the lawful and pressing purposes of the law that an immediate check is required to save the country. . . . Only the emergency that makes it immediately dangerous to leave the correction of evil counsels to time warrants any exception to the sweeping command, "Congress shall make no law . . . abridging the freedom of speech."

A generation later the Supreme Court majority in the *Terminiello* case cited the "imminent danger" doctrine of Holmes as justifying immunity for a harangue delivered by a bigot against a minority group. However, by mid-century the judges felt that the Communist danger was not such as would permit the country to wait for an emergency before acting upon conspiracies against the government. But liberals continued to lean heavily upon the philosophy of Oliver Wendell Holmes as a check against hysteria and arbitrary state action.

In the immediate postwar years, the statutes that were intended to protect the nation from enemies within its borders were often used to insure economic and social orthodoxy. The intolerance of wartime persisted in the era of reconstruction when labor fought to retain its recent gains. The menace to freedom forecast the coming twilight of pre-1917 progressivism and of the New Freedom in particular. Ironically, this threat reached its greatest extent during the second administration of a great liberal.

Chapter 9

THE LOST PEACE

The Fourteen Points and Liberal Nationalism

"This agony must not be gone through with again," declared Wilson in rejecting Pope Benedict's appeal for a negotiated peace on August 15, 1917, while mighty armies were locked in bloody but seemingly indecisive combat on the vast European front. "We seek no material advantage of any kind, . . ." he asserted. "Punitive damages, the dismemberment of empires, the establishment of selfish and exclusive economic leagues we deem inexpedient and in the end worse than futile, no proper basis for a peace of any kind, least of all for an enduring peace." Apparently, now that the nation was a full-fledged belligerent, the President was convinced that peace without victory could not last. Certainly it would have been denounced by Americans and the other Allies.

"Let there be no next war!" reiterated the leading newspapers in New York, Baltimore, and Philadelphia in demanding unconditional surrender of the enemy. But the Central Powers, who had inflicted a crushing defeat on Italy at Caporetto shortly after annihilating the Russians in 1917, considered that anything less than a negotiated peace was absurd. After still more spectacular victories on the western front during the spring of 1918, the German government, spurred on by the Social Democrats, addressed a new peace offensive to Wilson as the Allied spokesman. The German people were informed of the Bolshevik revelations regarding the secret treaties between the Czarist regime and the British and French, calling

for the dismemberment of the Central Powers in the traditional imperialist style. This propaganda advantage was offset, however, by the harsh Treaty of Brest-Litovsk which Germany and Austria-Hungary imposed upon revolution-torn Russia in March, 1918, despite the outcry of "No annexations!" by the Social Democrats in the Reichstag. When Wilson refused to discuss the new peace terms, German diplomats quickly informed the people that even Wilson demanded their country's total destruction as a requisite for peace.

On January 8, 1918, Wilson gave Congress a statement of our war aims formulated in the famous Fourteen Points. The idealism embodied therein shook the enemy people's will to resist and compelled their diplomats to exert themselves to the fullest in order to discredit the American President. The Fourteen Points may be summarized as follows:

1. Open covenants; openly arrived at. . . .
2. Absolute freedom of navigation upon the seas . . . alike in peace and in war. . . .
3. The removal, so far as possible, of all economic barriers. . . .
4. Adequate guarantees given and taken that national armaments will be reduced to the lowest point consistent with domestic safety.
5. A free, open-minded, and absolutely impartial adjustment of all colonial claims. . . . [The] interests of the populations concerned must have equal weight with the equitable claims of the government whose title is to be determined.
6. The evacuation of all Russian territory and such a settlement of all questions affecting Russia as will secure the best and freest cooperation of the other nations of the world in obtaining for her an unhampered and unembarrassed opportunity for the independent determination of her own political development and national policy. . . .
7. Belgium . . . must be evacuated and restored. . . .
8. All French territory should be freed and the invaded portions restored, and the wrong done to France by Prussia in 1871 in the matter of Alsace-Lorraine . . . should be righted. . . .
9. A readjustment of the frontiers of Italy should be effected along clearly recognizable lines of nationality.
10. The peoples of Austria-Hungary . . . should be accorded the freest opportunity of autonomous development.
11. Rumania, Serbia, and Montenegro should be evacuated; occupied territories restored; Serbia accorded free and secure access to the sea . . .

and international guarantees of the political and economic independence and territorial integrity of the several Balkan states should be entered into.

12. The Turkish portions of the present Ottoman Empire should be assured a secure sovereignty, but the other nationalities which are now under Turkish rule should be assured an undoubted security of life and an absolutely unmolested opportunity to autonomous development, and the Dardanelles should be permanently opened as a free passage to the ships and commerce of all nations under international guarantees.

13. An independent Polish state should be erected . . . which should be assured a free and secure access to the sea, and whose political and economic independence and territorial integrity should be guaranteed by international covenant.

14. A general association of nations must be formed under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike.

Although the Fourteen Points were ultimately discredited by the Allies themselves, in 1918 they seemed to herald the belated victory of liberal nationalism which had been arrested at the Congress of Vienna in 1815 by Metternich's feudally inspired paternalistic traditionalism. After one hundred years of nationalist struggles, the seal of legality was now to be given to the "self-determination" of peoples, and nations were expected to evolve peacefully under a powerful league of nations. The freeing of world channels of travel and trade would permit the smaller nations to live. That these war aims were conceived in no spirit of vindictiveness toward the enemy was made clear in Wilson's statement to Congress: "We have no jealousy of German greatness, and there is nothing in this program that impairs it."

Wilson's Appeal for a Democratic Congress

The failure of Germany's great offensive on the western front in July, 1918, followed by the Allies' sustained counterdrive, hastened the Central Powers' realization that they could not win the war. Accordingly Austria asked for peace terms on September 16 and on Wilson's insistence accepted an armistice based on the Fourteen Points and specifically recognizing the national aspirations of the Czechs, Slovaks, Serbs, Croats, and Slovenes. This demand for Austria-Hungary's virtual dissolution into component states indicated

that the terms of Germany's surrender would also be rigorous. On October 6 Prince Max von Baden, the new German Chancellor, proposed a general armistice, but Wilson refused to accept the limited nature of the new constitutional reforms offered the German people. If the United States must deal with the "military masters and the monarchical autocrats of Germany," he insisted, we must demand surrender and not enter into peace negotiations. Thus in effect a republican revolution was forced upon Germany. On November 9 the Kaiser fled to Holland and two days later the armistice was signed.

The stage seemed set for the achievement of Wilson's fondest dream, a cooperative world order. Although our European allies were committed to secret treaties and objectives wholly at variance with the Fourteen Points, the President knew that Europe's dependence on us for financial and material aid in reconstruction would influence her to make concessions. Herbert Hoover was already feeding the people whom Germany and Austria-Hungary had conquered, and Creel had inspired Europeans with a fervent admiration of Wilson's ideals and with trust in America's leadership in creating a world society based on justice.

The President, however, committed a serious political blunder when on October 25 he appealed to the nation to elect a Democratic Congress. Numerous Democratic Congressmen who feared a Republican landslide had already asked his help privately in the coming election, but Wilson chose to follow the British custom of seeking the electorate's mandate for the government's policies. There was some precedent for such an appeal, for during the Spanish American War President McKinley, supported by Roosevelt and Lodge, had tried to convince the voters that they must not repudiate the administration in the critical months preceding peace. "If you have approved of my leadership," pleaded Wilson, "and wish me to continue to be your unembarrassed spokesman in affairs at home and abroad, I earnestly beg that you will express yourself unmistakably to that effect by returning a Democratic majority to both the Senate and the House of Representatives. . . ."

The Republicans indignantly charged that the President had violated the wartime truce on partisan politics; their attack was led by Theodore Roosevelt, despite his own repeated appeals to the electorate for support in the past. The GOP won control of Congress by

a narrow margin. Although the elections involved a host of personal and general issues unconnected with peace, disgruntled Democrats feared that Europe would regard the Republican success as a repudiation of Wilson's leadership. Wilson, however, interpreted it as the natural reaction to so long-lived an administration and a rebuke to certain Congressmen, but he could not disguise the fact that he was now a minority leader.

Paris

In a dramatic move Wilson announced that he intended personally to head our peace delegation in Paris—an unprecedented step on the part of an American President. In accordance with a gentlemen's agreement with Congress, important bills would be deferred until his return and certain minor bills would become law without his signature—a novel constitutional procedure. Secretary of State Lansing regarded Wilson's decision to take part in the peace negotiations abroad as a serious mistake, but his influence over the President had begun to wane. Nor was Wilson's poor health enough to thwart his desire to be present at the birth of a new world order.

His selection of members of the peace delegation aroused bitter criticism from the Republicans. Rather than include Henry Cabot Lodge, the obstructionist who later became chairman of the powerful Senate Foreign Relations Committee, Wilson chose the dangerous alternative of ignoring the Senate altogether. The delegates included only one Republican—Henry White, whose long record as a capable diplomat indicated no tendency toward party leadership. The other members were Colonel House, Secretary of State Lansing, and General Tasker H. Bliss. Some three hundred experts of mixed political affiliations also accompanied the President. It was to be regretted that Taft and Root, both of them pioneer leaders of pro-league sentiment, were not among the delegates, but their exclusion was perhaps attributable to Wilson's distrust of lawyers. Nevertheless, the suggestions which the delegation received from Taft later in Paris were of great assistance.

On December 4, 1918, after solemn warnings from Senator William F. Borah of Idaho against any departure from our traditional isolationist policy, the President and the peace delegation sailed on the *George Washington*, formerly a German transport. During the

voyage Wilson made it clear that he would defer to expert opinion on international problems and would accept the judgment of specialists in their own sphere. "Tell me what is right," he said, "and I will fight for it." The staff of experts which Colonel House had been collecting since September, 1917, included numerous college professors and was armed with detailed investigations and reports.

Before the Peace Conference assembled, Wilson visited France, England, and Italy; the popular demonstrations he received everywhere were on a scale rarely accorded a visiting statesman. Pictures of him were displayed in windows in Italy, and some peasants were reported to be burning candles before his portrait. Premier Orlando, who headed the Italian delegation to the Peace Conference, told an Italian editor that his policy was "Wilson! Wilson! Wilson!" Enthusiastic students at Polish universities greeted each other with the magic name of the "liberator of Poland." Persecuted Armenians and Jews, and suppressed Albanian, Ukrainian, Rumanian, and Yugoslav minorities made fervent appeals to Wilson in the confident expectation that all the wrongs of centuries would be righted. Almost every one of Wilson's speeches struck a note of idealism and emphasized a permanent organization for the maintenance of peace and justice rather than the everlasting punishment of Germany advocated by President Poincaré of France.

When the Conference convened on January 12, 1919, Wilson faced the most astute diplomats of Europe and Asia. Prime Minister Lloyd George brought with him the electorate's mandate, "Make Germany pay" (popularly construed as "Hang the Kaiser"). A decade earlier young Lloyd George had electrified reformers by his courageous attack on the evils of aristocratic land tenure in Britain, but the responsibilities of power thereafter led him to adopt a more temporizing attitude toward social panaceas. Nevertheless, despite the demand for vengeance, British opinion, from the conservative *London Times* and the House of Lords to the radical Labour and Socialist conferences, emphatically endorsed a league of nations. As a matter of fact, a detailed plan for such a league had been formulated in Britain years before the idea had crystallized in Wilson's mind.

Far less ebullient than Wilson and Lloyd George was Clemenceau of France, the elderly Premier who sustained his country's morale during the darkest hours of the war. Two decades earlier he had led

the endangered democracy of France against the insidious attacks of reactionary monarchists when, with Émile Zola, he stubbornly defended the innocence of Alfred Dreyfus, the Alsatian Jew accused of selling military secrets to Germany; now the aged Premier seemed only to realize that he had seen two German invasions of his beloved country. Therefore he believed that salvation was to be found in the alliances of traditional diplomacy and the crushing of the enemy across the Rhine. Moreover, Clemenceau, who had little organized political strength in the National Assembly, was convinced that his countrymen would not support any treaty that made possible a future revival of German strength. Marshal Foch, the Allies' outspoken commander in chief, showed an even greater impatience with Wilsonian ideals; he advocated at least military control on the Continent as a prelude to the partitioning of Germany and the overthrow of the Bolsheviks in Russia.

The League Covenant and the Treaty

Although Wilson lost an initial skirmish in behalf of wider publicity for Conference proceedings, he won the much more important battle to make the League project an integral part of the peace treaty. With the reluctant consent of the major powers, he side-tracked the controversial territorial questions in order to complete the Covenant of the League. To him the term "Covenant" suggested the organization established by his rebellious Presbyterian ancestors, the Covenanters. By becoming chairman of the League of Nations Commission the President made it impossible for the other Allies to ignore the Covenant. He also understood the task involved in reconciling the numerous conflicting League projects suggested by Europeans as well as Americans. While the language was unmistakably Wilsonian, the architects of the League's structure included not only the American President and his legal expert but also the idealistic Lord Robert Cecil, vice-chairman of the Commission, General Jan Smuts, and a British law expert.

The League itself consisted of an executive Council of the five permanent members, Great Britain, France, Italy, Japan, and the United States; and four temporary members chosen by a second and larger body, the Assembly. Although the Council studied any threat to the peace of member states, it could render a decision in a dispute

only by a unanimous vote. In the Assembly each League member received a single vote, but this body was primarily a deliberative rather than an executive group. The controversial Article X, which Wilson considered "the heart of the Covenant," required each nation "to respect and preserve against external aggression the territorial integrity and existing political independence of all members of the League." This broad commitment had a precedent in our own Articles of Confederation and Wilson's abortive Pan-American Pact of 1916. Scarcely less controversial was Article XVI, which imposed an economic boycott against League members who went to war in violation of their promise to submit the issue to arbitration or to the Council's decision. If necessary, the Council might even recommend specific military action by the League nations against an aggressor.

In the writings of Jan Smuts, a brilliant young South African general who had fought against the British in the Boer War and was now on the League of Nations Commission, Wilson found the mandate or trusteeship idea for the administration of the colonies formerly held by the defeated powers. Instead of being annexed outright in defiance of the wishes of its people, each colony would be administered by some nation in trust for the League until it showed itself to be ready for independence. Strangely enough, Smuts himself and the representatives of Australia and New Zealand insisted that defensive strategy required outright annexation of former German possessions in their own immediate vicinity. In fighting for the mandate system, Wilson was influenced by the precedents established by McKinley and Root in providing for the ultimate independence of the Philippines by gradual stages.

Deeply moved by the plight of the various racial minorities in Europe, Wilson insisted that such nations as Poland and Rumania, both of which received extensive benefits from the peace treaty, sign special treaties guaranteeing the political and cultural rights of the numerous minority groups within their borders. Article XI of the Covenant gave any nation the right, hitherto undetermined under international law, to call attention to "any circumstance whatever affecting international relations which threatens to disturb international peace or the good understanding between nations upon which peace depends." Such a provision in international law in 1903 would

have enabled the United States to protest the Czarist pogrom against the Kishenev Jews through regular diplomatic channels.

After ten days of continuous work, Wilson appeared before a plenary session of the Conference on February 14 and read the completed Covenant. The fact that it was the unanimous report of fourteen nations seemed to assure its acceptance in Europe, but the attitude of the United States was uncertain. Accordingly he prepared to return to Washington for a short stay during which he would insure our acceptance of the Covenant and also attend to various official matters. During his absence from Paris, the nationalist forces strove to remake Europe in accordance with the secret treaties.

The Lodge "Round Robin"

Isolationist Senators, chafing under the President's request to delay debate on the League until he could confer with the Senate leaders, were overtly impatient to assail the League Covenant. Senator Borah in a public controversy with Taft claimed that Article X nullified the traditional policy of the Monroe Doctrine and in support quoted a Brazilian diplomat who said: "The Monroe Doctrine, as I see it, is destroyed by the new League. There is no longer any reason why the United States should attempt to protect the Republics of the new world." Senator James Reed of Missouri, another isolationist, denounced the League as a British tool to insure world domination and a weapon to destroy our sovereignty.

Wilson chose to arrive in Boston rather than in New York, for he hoped by his public appearance in Massachusetts to undermine the strength of Senator Lodge in his home constituency. With prophetic vision the President warned in a speech made just after his arrival: "The peace of the world could not endure for a generation unless guaranteed by the united forces of the civilized world." Old powerful enemies, he said, were ready to pounce on each of the new nations of Europe at the first favorable moment. Much more difficult was Wilson's task of persuading his opponents in the Senate to accept the League without reservations. He held that the Monroe Doctrine had not been abandoned and that Congress still had the power to decide whether to send troops to Europe when in its opinion a League obligation was involved.

The President's Republican opponents chose the eve of his return to Paris to filibuster against a bill appropriating \$750 million for the railroads and they prevented action from being taken on other essential bills before adjournment. On March 4, the final day of the session, Henry Cabot Lodge hurled a parting shot at Wilson in his famous "Round Robin," a resolution signed by thirty-nine Senators and Senators-elect: "Resolved . . . That it is the sense of the Senate that while it is their sincere desire that the nations of the world should unite to promote peace and general disarmament, the constitution of the League of Nations in the form now proposed to the peace conference should not be accepted by the United States. . . ." Furthermore, the resolution demanded that the League should not be considered until a peace treaty had been signed. Wilson's defiant answer to this was given a few days later before a New York crowd as he was embarking for Europe: "When that treaty comes back, gentlemen on this side will find the covenant not only in it, but so many threads of the treaty tied to the covenant that you cannot dissect the covenant from the treaty without destroying the whole vital structure."

The Conference: Second Phase

On his return to Paris, Wilson faced new difficulties which he suspected—perhaps unjustly—arose from concessions made by House and Lansing to the European nationalists. He yielded to Taft's insistence that an amendment regarding the Monroe Doctrine be offered to satisfy Lodge's supporters, and this was embodied in Article XXI: "Nothing in this Covenant shall be deemed to affect the validity of international engagements, such as treaties of arbitration or regional understandings like the Monroe Doctrine, for securing the maintenance of peace."

The inevitable conflict with Clemenceau was brought to a head by France's demands for the utmost protection against Germany. Despite the recommendation of American experts that the amount of reparations be definitely stated, the French and British, fearing political repercussions at home if the figure was too low, were successful in obtaining a blank check against Germany. While Wilson was pleading for rapid disarmament on the basis of League guarantees, France demanded an international army and navy and compulsory military

service. In addition, the French economic experts sought Germany's economic disarmament through international control of her munitions factories; as an alternative they wanted military control of the Rhineland. Both Lloyd George and Wilson opposed compulsory military service in peacetime as alien to their country's traditions. Wilson further antagonized the French by refusing to permit Pershing's forces to cooperate in a French plan to form an independent Rhineland Republic from western Germany. For this he was sharply criticized by the extreme nationalist wing of the Paris press.

Even though he was stricken by influenza on April 3, Wilson's iron determination to hold French demands in check kept him busy, and eventually he was able to secure a compromise. The French were given the rich Saar coal basin for fifteen years, after which the status of the Saar would be determined by plebiscite. In return, Wilson promised to sign a treaty of alliance with Great Britain which provided that the armed forces of the two nations would assist France if Germany attacked her without provocation. The President regarded this as a temporary arrangement which would soon be supplanted by the cooperative machinery of the League of Nations; this treaty project was quietly forgotten in the struggle over the final ratification of the peace treaty.

Another undercurrent at the Conference was the fear that communism might overwhelm Europe, particularly Hungary, which had been made a Soviet state temporarily, and Germany. French Army men supported the Yugoslavs against the Austrians, the Rumanians against the Hungarians, and the Poles against the Russians, in order to create a line of strong buffer states between Germany and Russia. Small nations looked to France rather than the League for protection in the future. Even American troops stationed in northern Russia and Siberia were drawn into the Franco-British intervention against Russia.

Fiume and Shantung

Italian claims for territory promised under the secret Treaty of London signed on April 26, 1915, found Wilson adamant, except for his earlier and much-regretted commitment by which, for strategic reasons, Italy was given the Brenner Pass and some 250,000 Germans in Tyrol. Orlando continued to insist that the important Dalmatian

port of Fiume be ceded to Italy, a demand which Italian nationalists regarded as the core of their plan for Italy's complete domination of the Adriatic. In the secret Treaty of London Fiume had been promised to Croatia by the English and French, the Italians having originally given up their claim to it on the basis of a territorial "deal" with Bulgaria and Serbia that was never consummated. Sonnino said frankly that Italy had been offered territorial inducements by both the Central Powers and the Allies but had chosen to fight on the Allied side after a definite promise of large grants of territory. Lloyd George and Clemenceau, embarrassed by Italy's exaggerated claims, which exceeded the concessions made in the Treaty of London, privately supported Wilson's position.

Wilson refused to be bound by the secret treaties or to yield on the question of Fiume. His guiding principle of self-determination forbade such an injustice to the Yugoslavs. Much to the wrath of the Italian delegation but with the consent of Lloyd George and Clemenceau, Wilson attempted to bring this dispute to the attention of the world by issuing on April 23 a press statement which he specified was to be given wide publicity. When the Italian diplomats denounced this act as a subversive effort to create a breach between the Italians and their government, Wilson replied that he was interested only in having the problem receive consideration in the Italian Parliament. Unfortunately for Wilson, however, the nationalists had done their work too thoroughly for any democratic reaction to be possible on the part of the people. The Italian delegation applied additional pressure to Wilson by encouraging the circulation of a rumor that they intended to desert the Conference—as they did temporarily—if Fiume were awarded to the Yugoslavs. Eventually Italian nationalists, led by d'Annunzio, seized Fiume.

Wilson learned that a secret treaty had been concluded between Japan and the Allies in 1917 which promised Japan both Germany's rights in the Shantung peninsula and her island possessions north of the equator. The islands that Germany owned to the south were to be annexed by Australia and New Zealand. Lloyd George, whose nation had been allied with Japan since 1902, explained that the British and French had made these commitments in return for valuable assistance received from her in the submarine warfare. Wilson in turn informed Lloyd George of the infamous Twenty-One Demands

which Japan had secretly imposed upon China in January, 1915, in an attempt to establish a protectorate and economic control over eastern Asia. Wilson had learned of these demands despite Japan's threats to China if they were divulged and had exerted as much diplomatic pressure against them as was possible.

Britain had been unenthusiastic regarding Japan's entrance into the war. The Nipponese quickly ejected the Germans from Shantung and demanded, as a price for its ultimate return to China, more economic concessions than Germany had ever enjoyed. China's eloquent delegate to the Peace Conference, Wellington Koo, protested Japan's retention of Shantung because this peninsula with its 36,000,000 people was strategically important to China in safeguarding against domination by a foreign power; furthermore, as the birth-place of Confucius it was sacred to the Chinese. The Japanese ignored China's appeal and threatened to bolt the Conference if the Shantung question was not settled immediately.

Wilson finally yielded to a compromise which gave Shantung to Japan if she would formally declare her intention ultimately to restore it to China. This was the price he paid to save the League in the face of a possible Japanese-German-Russian alliance against the Allies. Japan refused to give anything but an oral promise or to agree to seek peaceful redress through the League of Nations if China failed to live up to her promise that Shantung would be policed by both Japanese and Chinese. Wilson in turn insisted that nothing he said should be construed as recognition of the Sino-Japanese "agreements" of 1915 and thereafter. The Chinese, bitterly disappointed at this "betrayal," refused to sign the Treaty of Versailles.

End of the Conference

Misunderstandings and disappointments surrounded Wilson. For example, Irish-Americans, unaware of his informal efforts in behalf of Irish independence, denounced him as a British puppet because he failed to demand self-determination for Ireland at the peace table. It was difficult to convince these partisans that the Peace Conference had dealt only with the disposition of territory held by the Central Powers; moreover, the prospect that the new League of Nations would solve the Irish problem seemed remote in view of the six votes exercised by Great Britain and her dominions in the Assembly, where

each nation had one vote. Similarly, American Zionists were disappointed by the report of the American Commission to Syria and Palestine, which was unfavorable to the establishment of the Jewish homeland in Palestine that the famous Balfour Declaration had promised. To Clemenceau, Wilson seemed pro-German at times, whereas the Italians assailed him as pro-Yugoslav. Since signing the Treaty of Versailles was a prerequisite to sharing in the reparations paid by Germany, Italy finally affixed her signature, but she did so in the conviction that Wilson had robbed her of a well-earned reward.

Although politically Wilson's peace program was well integrated, economically it was unsatisfactory. For one thing, he could scarcely attempt the removal of tariff barriers called for in his Fourteen Points because Congress, in which the protectionist Republicans were in the majority, would almost certainly repudiate such a move. The economic experts Wilson chose were all able men—Herbert Hoover, Bernard Baruch, Thomas Lamont, Norman H. Davis, and Vance McCormick, for example—but their strong individualist bias opposed any effective economic coöperation among nations. Apparently all of them favored a strict policy of private initiative, tempered, however, by generous relief to the distressed areas. Thus when Wilson argued that Germany must not only be fed but have access to raw materials if she were to make any reparations payments, Clemenceau retorted: "To do this would be to turn the world upside down. It would not be the conquerors but the conquered who came out best."

The peace treaty was finally signed on June 28, 1919, at Versailles, where the previous generation of victorious Germans had celebrated their country's unification symbolically over the body of a prostrate France. Now vanquished, Germany was curtly asked to sign a document which imposed a heavy burden on her people and included the humiliating "war guilt clause" (Article 231) in which she accepted the responsibility for all Allied loss and damage caused by "the war imposed upon them [the Allies] by the aggression of Germany and her allies." Wilson, although aware of the shortcomings of the treaty, did not consider it basically unjust. "I believe, even, that a hard peace is a good thing for Germany herself, in order that she may know what an unjust war means," he observed. However, both Wilson and

Colonel House believed that the League of Nations, if universally accepted, would eliminate the injustices of the treaty.

The peacemakers could not foresee the full evil consequences of the unworkable economic settlement, nor did they allay the rising nationalist fever and the fear of communism that lingered among Europe's medley of peoples. The Fascist spirit, far from affecting only the vanquished at the Versailles Conference, quickly infiltrated a victorious Allied power like Italy as well as a defeated Germany brooding over her lost cause. German critics of the Versailles Treaty were to forget that the war rather than the peace bankrupted the world of 1914; and the extreme German nationalists of the 1930's were convinced by the Hitler myth that an unconquered German Army had been "stabbed in the back" in the "final quarter of the hour" before victory. They avidly believed that all the evils of post-war Germany grew out of the Versailles Treaty.

"Mr. Wilson's League"

In spite of persistent objections to the treaty on the part of the Senate, Wilson was optimistic regarding its final acceptance by the United States. Public opinion polls indicated that the majority of the people supported the League, and at least thirty-two state legislatures had already passed resolutions endorsing it. Only a handful of Senators—the thirteen irreconcilables led by Borah, Hiram Johnson, and La Follette—actually opposed the treaty *in toto* and denounced the sinister international interests allegedly behind it. Even Lodge was known to have favored some form of league, but his strong nationalism and his dislike of Wilson compelled him to insist on sweeping reservations and amendments. From the outset Wilson indicated his intention of forcing the treaty through in its present form, for he had no desire to reopen negotiations which might conceivably break down and leave the world ripe for revolution and new wars. On June 25, shortly before his departure from Europe, Wilson cabled Tumulty as follows: "My clear conviction is that the adoption of the treaty by the Senate with reservations will put the United States as clearly out of the concert of nations as a rejection."

On July 10 Wilson presented his case to the Senate in person. The United States, he said, was "no longer isolated and devoted to a policy which has only our own interests and advantage for its object. It is

our duty to go in, if we are indeed the champions of liberty and right." At first the debate was encouraging. Senator Knox's resolution to the effect that the Senate would reject the treaty if it included the League Covenant failed to receive sufficient votes for its passage. Forty Senators, most of them Democrats, favored the treaty without reservations, and forty-three others were prepared to accept it with reservations; only eight opposed the League in any form, and five were still undecided. The overwhelming majority of Senators favored some plan for a league of nations—it not "Mr. Wilson's League."

In an attempt to win support, the President conferred privately with certain Senators on August 19. After the conference, however, Borah and Johnson released a statement declaring that their worst fears had been justified: The President wished the United States to guarantee unjust territorial settlements made on the basis of secret treaties. Wilson had been the only disinterested person at the peace table, they claimed, and now he was unwilling to give full details regarding certain negotiations. Article X, which provided for a League guarantee of the territory and independence of each member, implied no ordinary moral obligation but "compelling force," as the President himself admitted.

To men like Lodge and Fall of New Mexico who were actively marshaling the extreme reservationists behind the Senators who wanted to dilute the League just as they had done earlier in connection with arbitration, the major source of inspiration at first was, strangely enough, the Republican "elder statesman," Elihu Root. The one-time Cabinet member under McKinley and Roosevelt had been a lifelong advocate of the rule of international law, and he was one of the original proponents of the World Court suggested in the League of Nations Covenant. But in conservative legalist fashion he had frequently shown an inclination to defer to Senate nationalists like Lodge who demanded that all vital national questions be exempt from the procedures embodied in the arbitration treaties made by Root as Secretary of State under Roosevelt. Root opposed Article X in its entirety because the treaty provided for territorial boundaries which violated the principle of nationality. Nothing in the treaty, he felt, must be construed as giving up our "traditional attitude toward purely American questions" (the Monroe Doctrine) or submitting such questions to other powers. Theoretically Root recognized that a

bona-fide international agreement meant the limitation of national sovereignty, but he seemed unwilling to fight for this principle as vigorously as did Wilson or Taft. Not until it was too late did Root attempt to restrain Lodge in opposing the President's program. He had already provided a much-needed justification for Lodge's reservations.

Wilson's Collapse

Democratic Senators, fearful of defeat, encouraged Wilson to undertake a three-week trip, a "swing around the circle," through the Middle West and Far West in September to give the electorate first-hand information regarding his program. Wilson's physician, convinced that this might cost him his life in view of his poor physical condition, tried to dissuade him, but the President persisted in regarding himself as a soldier on the field of battle and refused to be deterred by daily headaches and accumulated fatigue. At Columbus, Ohio, he gave the first of some thirty-seven speeches that comprised his heavy program. In vigorous and persuasive language he urged the ratification of the treaty as marking the beginning of a new era of world coöperation. The League Covenant, and particularly Article X, received most of his attention. Even Henry Cabot Lodge, he pointed out in one speech, had once concurred in the principle embodied in this article, for in an address at Union College in June, 1915, he had said: "Nations must unite as men unite in order to preserve peace and order. . . . In differences between nations which go beyond the limited range of arbitral questions, peace can only be maintained by putting behind it the force of united nations determined to uphold it and prevent war." Lodge had reaffirmed this a year later in a speech before the League to Enforce Peace, when he decried isolationism in no uncertain terms.

So successful was Wilson in his appeal to the people that the isolationists arranged for Borah and Johnson to follow him in an effort to refute his arguments. Shortly afterward, however, the President was stricken by partial paralysis at Pueblo, Colorado, and was brought back to Washington. An invalid thereafter, he was carefully shielded—perhaps too carefully—from political affairs by his wife and Tumulty. Meanwhile, the Senate gained power and the reservationists were steadily winning ground.

Defeat of the Treaty

The first tactics resorted to by the Lodge forces were to prolong the debate over the treaty in order to dampen the popular enthusiasm for it. To this end the Lodge-dominated Senate Committee on Foreign Relations showed extraordinary interest and patience in according public hearings to almost anybody who professed an opinion on the treaty. Not until September 4 did the Committee make its report, and then it decried the impatience of the administration press and the alleged sinister force exerted by "certain great banking firms."

The treaty as reported contained forty-five amendments and four reservations, which if adopted would probably compel renegotiation in Europe. Betraying a strong nationalist bias, the majority report assailed Articles XVI and XXII, providing respectively economic sanctions against aggressors and that the United States agree to administer at least one of the territorial mandates offered by the League. It denounced the League as a system of alliances that would breed war rather than insure peace. After consulting various Republican leaders, Lodge succeeded in having his fourteen reservations substituted for the original four. In line with a suggestion made by Root, Lodge demanded that ratification of the treaty by the United States be withheld until the reservations had been accepted by three of the four principal powers.

Lodge's reservations showed clearly his deep-seated suspicion of international engagements on really vital issues which might be binding in effect and possibly diminish the power of Congress in foreign affairs. They completely rejected Article X, left the use of military force entirely up to Congress, and insisted that the United States was to be the sole judge regarding her obligations should she decide to withdraw from the League. The question whether the nation was to accept or reject a territorial mandate under the League was likewise to be decided only by Congress. As for the Monroe Doctrine, this was placed emphatically outside the League's jurisdiction. In regard to the unpopular Shantung settlement at Versailles, we reserved complete freedom of action. Finally, the reservations provided that this country be protected against any inequality in voting such as that

resulting from the combined votes of Great Britain and her Dominions.

The Lodge resolutions, wrote Wilson to Hitchcock, Democratic leader in the Senate, would nullify the treaty, not ratify it; whereupon Hitchcock warned his opponents: "President Wilson will pocket the treaty if the Lodge program of reservations is carried out in the ratifying resolution." Wilson asked his supporters to vote against the amended treaty in order to open the door to a "genuine resolution of ratification"—a move already decided upon by the majority of Democratic Senators. The result of this maneuver, when the vote was taken on November 19, was to unite Borah's thirteen irreconcilables with Wilson's forty-two Democratic supporters, which meant the defeat of the treaty; thirty-nine reservationists, including four Democrats, voted for it. At no time was either side able to muster the two-thirds vote needed for ratification.

In a message to fellow Democrats at the Jackson Day dinner on January 8, 1920, Wilson called his party to battle. Assailing halfway measures toward world coöperation, he said: "The maintenance of the peace of the world and the effective execution of the treaty depend upon the whole-hearted participation of the United States." Refusing to accept the decision of the Senate as that of the nation, Wilson demanded "a solemn referendum" on the treaty in the forthcoming presidential election. Lodge had previously indicated his desire to make the treaty an election issue. Bryan disagreed with the President and pointed out that while he had supported Wilson on the treaty up to that time, the situation now called either for compromise or for an admission of defeat. Other Democrats realized that to make the treaty an issue in a heated presidential election might destroy the League completely and end any possibility of a compromise between the Senate factions. Nevertheless, the party stood by the President and partly as a result met crushing disaster.

A few weeks later the British tried tactfully to bridge the gap between Lodge and Wilson. Viscount Grey, who had been Foreign Secretary and was now a special ambassador to the United States, wrote an open letter to the London *Times* ostensibly to present our position on the treaty to Englishmen. After pointing out that the League would be severely limited if the United States failed to join it, he

intimated that the Allies would welcome us even with such resolutions as those suggested by Lodge, except for the one dealing with the British Empire's plural votes. This opinion, it was surmised, had been approved by Prime Minister Lloyd George.

Wilson, however, had already indicated his willingness to compromise along the lines suggested in Grey's letter by accepting certain reservations proposed by Senator Hitchcock which went far toward meeting the chief objections of the Republican reservationists to the treaty. Especially encouraging was the fact that most of the Senate Democrats signed a round robin definitely agreeing to Taft's proposed reservation to Article X. This reservation denied any "binding obligations" by the United States to preserve the territory or independence of any nation except when Congress decided that a moral obligation existed. Compromise between parties seemed close.

At this juncture all hopes of agreement were dashed by the emphatic threat of Senator Borah and his intransigent group to depose Lodge as Senate leader and disrupt the party if the Republicans voted for the treaty. To preserve party unity, Lodge submitted the Democratic compromise offer to his Foreign Relations Committee without any recommendation, thus terminating the episode. On March 19, 1920, the Senate voted on the original fourteen reservations, which had been increased to fifteen by the addition of one dealing with Irish independence that was almost certain to irritate England and perhaps prevent us from joining the League. Even though Wilson's supporters had dwindled, only forty-nine Senators could be mustered for Lodge's version of the treaty. Since this was insufficient to meet the two-thirds requirement, the treaty became an issue in the presidential election that year.

The Senate Clique and the Victory of Normalcy

The Democrats gathered at San Francisco on June 28 to nominate their presidential candidate. The platform they drew up indicated their firm intention to endorse Wilson's handling of the League controversy and demanded immediate ratification of the treaty with no vitiating reservations. It also promised independence to the Filipinos and expressed sympathy with Ireland's struggle for freedom. Foreign affairs rather than domestic issues were emphasized.

Wilson, unable to leave the White House, maintained only indi-

rect contact with the convention and refused to exert any pressure even when leaderless Democrats became deadlocked while voting on the nomination of a candidate for the Presidency. When Attorney General A. Mitchell Palmer of Pennsylvania announced his candidacy and offered to resign from the Cabinet if his presence embarrassed his chief, Wilson refused to accept the offer. Even more embarrassing was the fact that his son-in-law William G. McAdoo was a candidate; but here too the President remained strictly neutral, refusing to discuss McAdoo's candidacy with even such an intimate adviser as Tumulty.

After the convention had reached its forty-fourth ballot, Governor James M. Cox of Ohio, a former newspaper publisher, was chosen, the vice-presidential nomination going to the Assistant Secretary of the Navy, Franklin D. Roosevelt of New York. Both men were strong advocates of the League as formulated by Wilson. In fact, despite the warnings of his political advisers, Cox paid Wilson a visit at the White House in order to identify his course of action publicly as the President's. In the campaign, Cox emphasized the League issue but failed to arouse any great degree of public interest.

The Republicans, confident that the congressional elections of 1918 portended victory in 1920, convened on June 8 in Chicago. There were several strong contenders for the presidential nomination. The party was particularly interested in the hard-fought pre-convention campaign from which General Leonard Wood, Governor Frank O. Lowden of Illinois, and Senator Hiram Johnson of California emerged as the three most likely possibilities. Further down the list were Herbert Hoover, Senator Warren G. Harding, Charles Evans Hughes, and Calvin Coolidge, governor of Massachusetts. Prenomination contributions by oil, steel, and utility corporations reached unprecedented figures; a Senate investigation prompted by the charges made by Borah and Johnson revealed that Wood and Lowden, the leading candidates, were heavily indebted to big business. Leadership at the convention was assumed by the party Senators—Lodge, Fall, Smoot, Brandegee, and their colleagues—several of whom were themselves candidates. In the now famous "smoke-filled rooms" the Senate clique decided to support Warren G. Harding of Ohio. Harding was nominated on the tenth ballot, with Calvin Coolidge as his running mate.

Harding owed his victory both to the brilliant leadership of his manager, Harry M. Daugherty, and to the exhausting battle waged by the candidates whose chances had been considered far stronger than his. As the owner of a small newspaper in Marion, Ohio, and as Senator, his record had been undistinguished. In the treaty fight he was close to Lodge, but his background in foreign and domestic affairs alike was extremely weak. Personally honest, always amiable, and with few enemies among Republicans, he had an accepted place among the party's standpatters. His chief weaknesses, as later events revealed, were his overdeveloped sense of loyalty to his political associates regardless of their misdeeds, and his naïve trust in political adventurers who sought favors from him. Regardless of his modest record of achievement, Harding seemed attractive to an electorate that was experiencing a general slump in idealism.

The Senate clique faced a difficult task in formulating a platform that would deal adequately with the League. On one side there were the rabid irreconcilables like Borah and Johnson who wanted no league whatsoever; in the center were the extreme reservationists like Lodge; and on the other side were the mild reservationists like Root, Taft, Hoover, and Hughes. Root cut the Gordian knot by pledging the party in vague terms to "agreement among the nations to preserve the peace of the world." The rest of the platform, which was devoted to foreign policy, criticized Wilson to such an extent, especially his treatment of Mexico, that the party's future trend toward strict isolationism was clear. Lodge's speech at the convention made it evident that the chief issue was Wilson and his associates and that they must be divested of all control and influence in the government. The New Freedom in business and industry and Wilson's strong League of Nations were to be destroyed—at least many campaign contributors believed this.

While Cox was actively canvassing the nation in a vain effort to win votes, Harding shrewdly engaged in a front-porch campaign in the McKinley tradition and read carefully prepared speeches to various visiting delegations. Following a lifelong habit, he so obscured his position on the League as to satisfy each audience he addressed. Party members who favored the League were alternately encouraged and disappointed as Harding spoke enthusiastically about an "association of nations" one day and the next day de-

nounced the League as a "fraud." Cox's support of the Covenant forced Harding to assume an increasingly hostile attitude toward ratification, even with reservations.

Characteristically, the Republican advocates of a strong league of nations once more deceived themselves into thinking that they could accomplish their object by defeating Cox. Accordingly, in October, 1920, they formed the Committee of Thirty-One, whose function was to convince the voters that Cox's election would mean another stalemate between the Executive and the Senate because he was pledged to Wilson's uncompromising methods; therefore only a Harding victory could save the League. This Committee included some of the most distinguished members of the Republican party—Hoover, Hughes, Root, A. Lawrence Lowell, president of Harvard, Nicholas Murray Butler, president of Columbia, and William Allen White, the journalist, among others. At the same time Borah and Johnson were urging the election of Harding as a guarantee of our not joining the League. Such confusion prevented the appearance of any clear-cut issue in the election that year.

Harding's platitudes were pleasing to many people who were anxious to forget the war and return to their everyday tasks. His emphasis on the homely virtues, the glory of womanhood, and the rural tradition was evidently more effective than Cox's well-reasoned and forthright appeals. One statement in particular appealed to a large portion of the press: Harding's declaration in May that the nation needed "not heroism but healing, not nostrums but normalcy, not revolution but restoration, not agitation but adjustment, not surgery but serenity, not the dramatic but the dispassionate, not experiment but equipoise, not submergence in internationality but sustainment in triumphant nationality." In this were implied all of Wilson's failings—heroics, nostrums, revolution, agitation, drastic action, dramatization, experimentation, and internationalism. No more professorial supermen! was the note struck by Republican campaigners.

Coolidge, although friendly to the idea of a league, felt compelled to follow the line adopted by Harding in regard to Wilson. Referring to the proposed Covenant without reservations, he remarked: "To a league in that form, subversive of the traditions and the independence of America, the Republican party is opposed." But other issues

influenced the campaign—the high cost of living, complaints of gross profiteering, and the increasing unemployment. The postwar discontent tended to endow Harding with fanciful virtues, for the country was preparing to return to its traditional allegiance to the Republican party, from which it had departed only occasionally since the Civil War.

Election day brought victory to Harding in genuine landslide fashion, as witness his 404 electoral votes to Cox's 127. In the popular vote he received over 16,100,000 ballots, while Cox polled slightly less than 9,150,000. The Democratic candidate failed to carry any state outside the solid South and even there Tennessee swung to Harding. Eugene V. Debs, whom Wilson denounced as a traitor when he refused him a pardon, campaigned for President on the Socialist ticket from the penitentiary (his campaign pictures showed him behind bars in the regulation prison stripes) and won almost 920,000 votes. The election seemed a tragic repudiation of the sick man in the White House who had dreamed of world-wide victory for his New Freedom.

In his victory speech Harding announced that the League was dead, that it had been killed by the election, which he now interpreted as being a popular referendum on the question. The fight over whether the League was to be adopted with or without reservations had in his mind become a question of having any league at all. After his inauguration, Harding declared that his administration had "definitely and decisively" put the League aside. "It doesn't propose to enter now by the side door, back door, or cellar door." The Committee of Thirty-One was rewarded when two of its members, Hughes and Hoover, were given posts in the new Cabinet. Subsequently Harding made an attempt to bring the United States into the World Court, but he retreated gracefully at the first sign of Senate disapproval. Technically the United States remained at war with Germany until July 21, 1921, when Congress passed a joint resolution simply declaring the war at an end.

Wilson was thoroughly embittered by his resounding defeat. Of those who spurned the League he observed privately: "They have disgraced us in the eyes of the world. The people of America have repudiated a fruitful leadership for a barren independence. . . . The enemies of this enterprise cleverly aroused every racial passion

and prejudice, and by poisonous propaganda made it appear that the League of Nations was a great Juggernaut which was intended to crush and destroy instead of saving and bringing peace to the world." Because we had lost world leadership, he grimly predicted, "soon we will be witnessing the tragedy of it all."

Chapter 10

DEMOBILIZATION AND THE RED HUNT

Recession, Boom, and Depression: 1918–1921

Germany's surrender caught the United States woefully unprepared for any concerted plan of domestic reconstruction. Wilson's defeat in the congressional elections of 1918 destroyed his effectiveness as the nation's leader during the postwar years. His energies were concentrated on the single object of winning the peace; but thereafter, because he was an invalid as well as a minority President, he was unable to serve his country as its active leader. Anarchic forces of capital and labor, of nationalism and revolution, and of mass intolerance shook the nation. Business sought to undo the progress of unionism which the necessities of war had promoted. Labor, conscious of new power and solidarity, struck back fiercely in its determination to keep all it had gained since 1914.

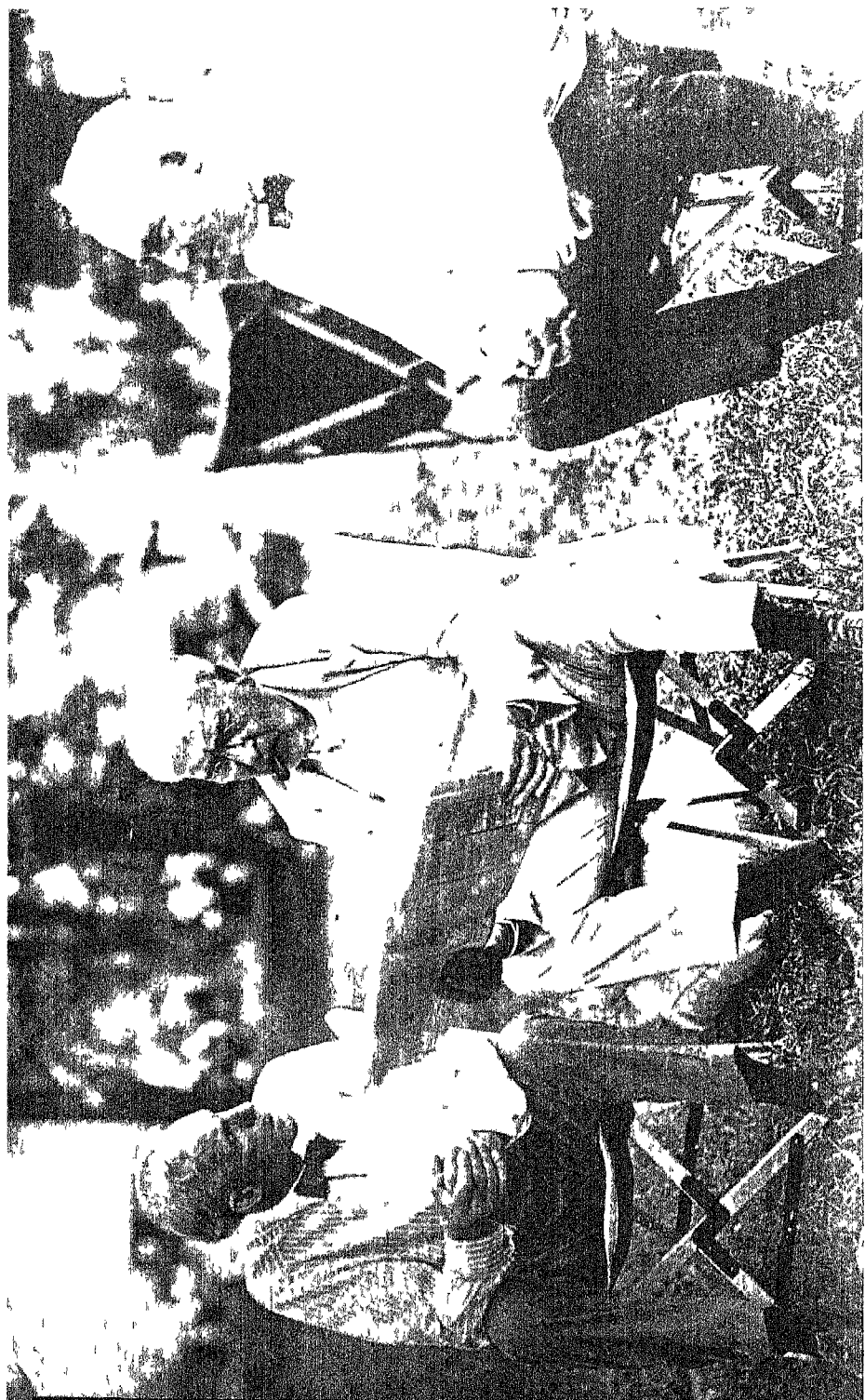
Pressure from the families of the veterans compelled the speedy demobilization of most of the 4,500,000 servicemen. In their search for jobs these men were aided only by scattered efforts of private agencies. Hundreds of thousands of war workers were suddenly discharged during the winter of 1918–1919 as the war agencies ruthlessly canceled war contracts. Businessmen were too handicapped by the loss of prewar customers and the need of replacing obsolete machinery to hasten the task of reconversion. Thousands of federal employees were stranded in Washington because no provision had been made for the contingency of peace.

The postwar slump lasted until the spring of 1919 and was fol-

1914-1921



President Woodrow Wilson. (The National Archives.)



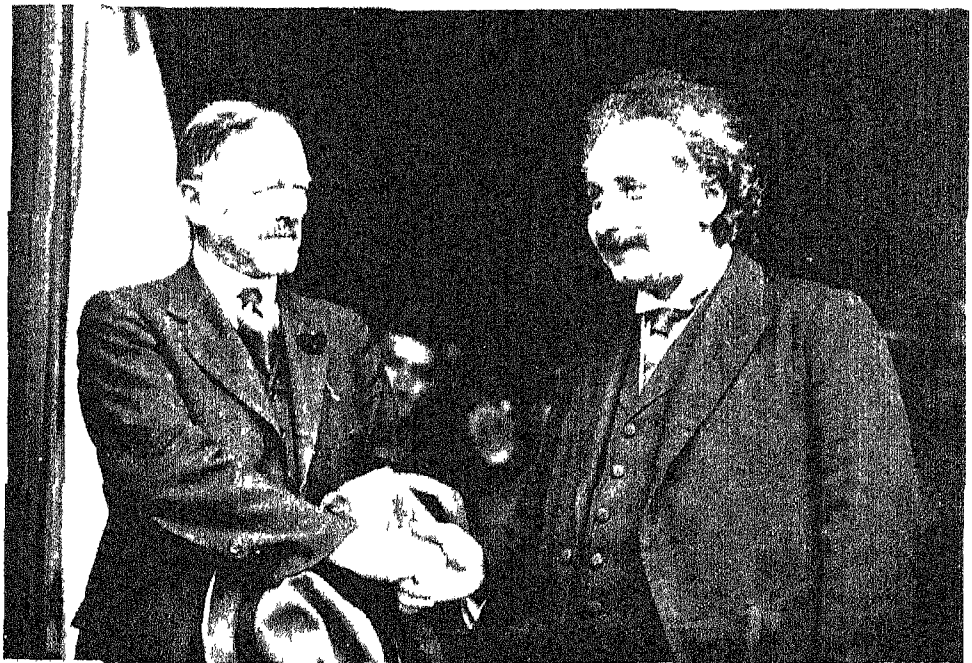
Henry Ford, Thomas A Edison and Warren G Harding (Brown Brothers)



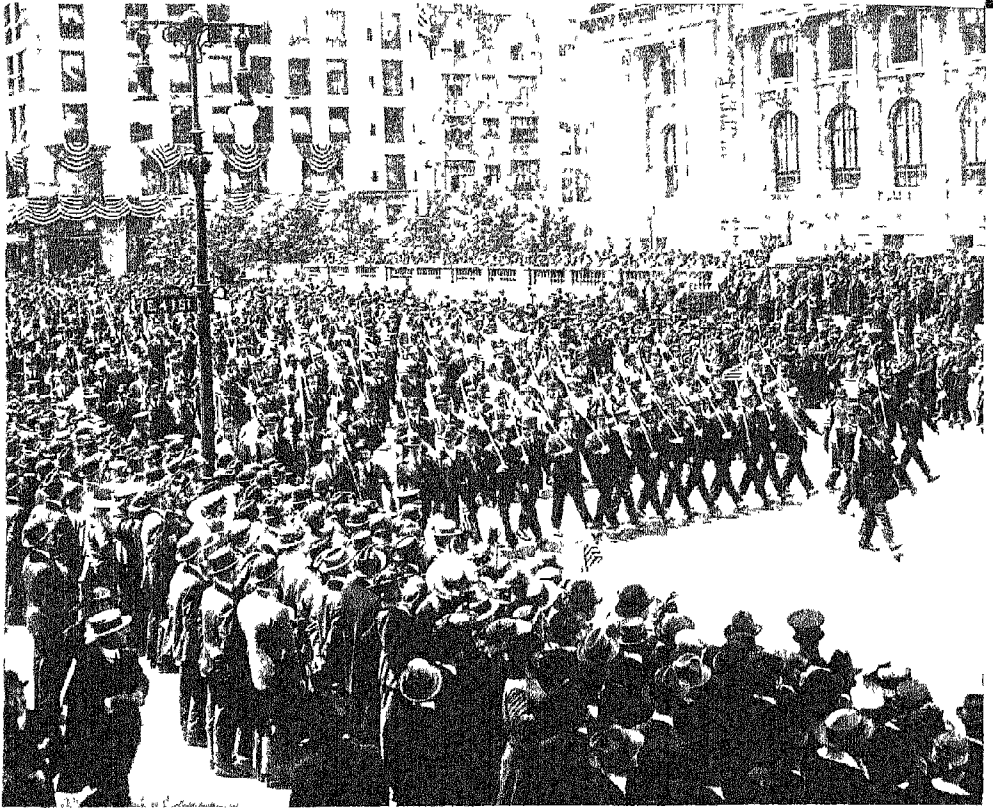
Senator Robert La Follette of Wisconsin, at the Peak of His Pro World War I Isolationism 1917 (Kraffert, Cleveland *Plain Dealer*)



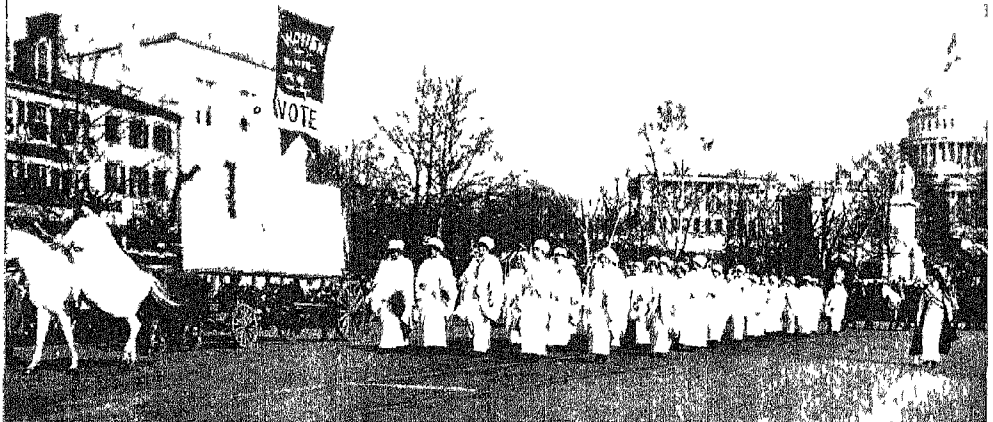
Judge Ben Lindsey of Denver Conducting His Children's Court (Brown Brothers)



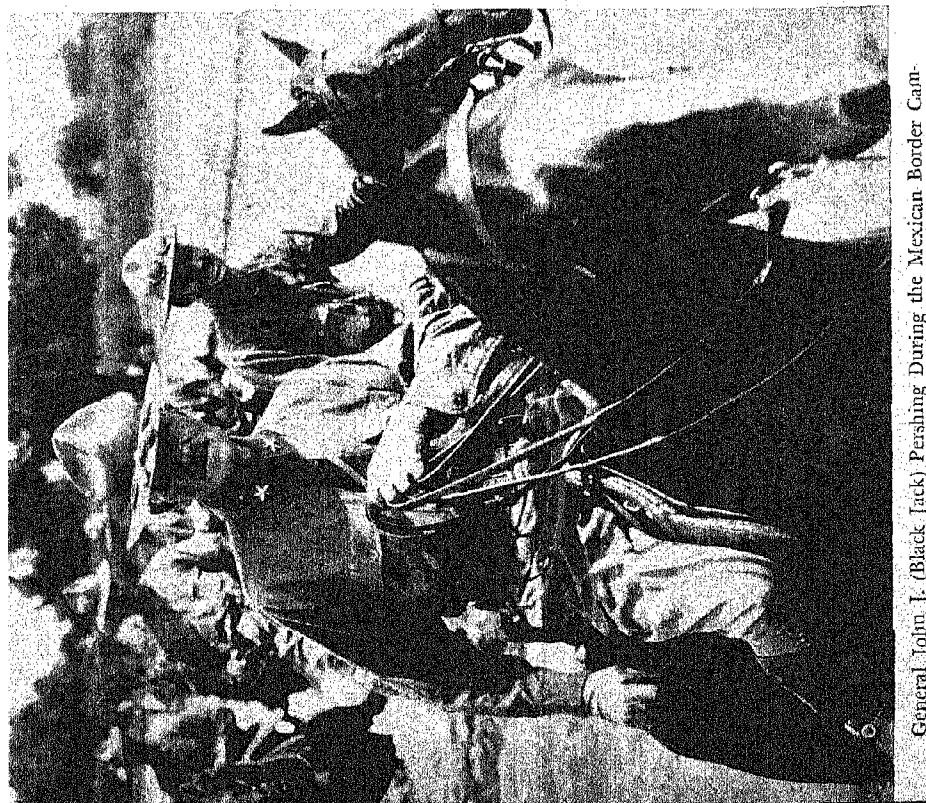
Albert Einstein, Physicist of the University of Berlin, Arrives in the United States for a Visit, 1915. (Kraffert, Cleveland *Plain Dealer*)



Preparedness Parade Marching Along Fifth Avenue in New York City in 1916 (Brown Brothers)



The 1915 Suffragette Parade in Washington, D. C. (Brown Brothers)



General John J. (Black Jack) Pershing During the Mexican Border Campaign. (Brown Brothers.)



David Belasco, Actor-Producer-Playwright, Dominant Stage Personality, in 1917. (Krafter, Cleveland Plain Dealer.)



Samuel Gompers, ALL Head (center) and Labor Associates in 1918 (*Kiaffert Cleveland Plum Dealer*)



The Boston Police Strike in 1919 (Courtesy of the *Boston Globe*)



Frank Lloyd Wright (Hedrick Blessing Studio)



Prime Minister Lloyd George and Secretary of War Newton D. Baker (Cleveland Plain Dealer.)



Senator Hiram Johnson of California Isolationist Leader, During the Fight Against the League of Nations in 1920 (Cleveland *Plain Dealer*)



Wilson's Former Secretary of State, William Jennings Bryan, Watches the Cox Roosevelt Slate Go Down Before Harding and Coolidge in 1920 (Kraft, *Plain Dealer*)

lowed by a highly speculative boom. Europeans were helped to reconstruct their shattered society through generous Treasury credits which had the effect of keeping exports up and farm prosperity even higher than in war years. Industrialists stimulated exports further by extending large credits abroad. The automobile industry was freed of its war time restrictions on men and materials and therefore leaped ahead to meet the accumulated demand. Its expansion had an immediate effect in promoting the business of related industries. Home builders began to cope with the severe housing shortage that had sent rents skyward. Hundreds of new suburbs and innumerable apartment dwellings sprang up.

Unfortunately, purchasing power could not keep up with the inflated prices. The cost of living that had already climbed in 1919 to 77 percent above the 1914 level rose to 105 percent in 1920. Real wages declined, setting off a rapid succession of national strikes such as the steel strike and the bituminous coal strike of 1919. Speculative activities drove prices higher than effective demand justified. Optimistic retailers built up huge inventories in the hope that prices would continue to rise. The Federal Reserve banks continued to promote inflation by permitting the fast-growing quantities of war bonds to be used as collateral for bank loans on rediscounted paper. Thus the volume of currency expanded with the new flood of Federal Reserve notes. As prices rose unbearably, consumers frequently resorted to buyers' strikes and deluged Congress with protests over the high cost of living.

This boom of late 1919 and early 1920 could not long endure. Europe and America caught up with their emergency needs, and government spending declined. Exports dropped from \$8.2 billion in 1920 to \$4.3 billion the following year. Bankers, aware of the speculative nature of the boom, reduced the volume of loans and initiated the deflationary spiral. In the ensuing crash, the farmers appeared to be the worst hit. Wheat that had sold for \$2.50 per bushel dropped below a dollar by the fall of 1921; other staples suffered a corresponding drop. Over 450,000 farmers lost their farms entirely and an agricultural depression set in that was not wholly dissipated until 1939, when another world war began. Too many had been encouraged by war prosperity to borrow money for more farms on the semiarid lands of the West. Little wonder that many farmers suspected that

some dark plot of the eastern bankers had brought about their distress.

Wage earners shared in the effects of the crash. The number of factory workers fell off by as much as *one-fourth* in the 1920-1921 debacle and nearly six million were out of work. Without social security or a public works program, the families of the workers felt the full impact of unemployment. The physical output of the factories dropped almost to the low 1914 level, though the largest corporations still had enough of their surplus accumulations of earnings to be able to pay substantial dividends and high executive salaries. Finally, the tight credit situation ended for the time a promising building boom and other economic activities. Altogether, the chaotic experiences of 1918-1921 explain in part at least some of the underlying factors behind the Red scare, the intolerant nationalism, and the class antagonisms of those years.

A Conservative Congress and Reconstruction

The Republican Congress elected in the fall of 1918 (the Sixty-Sixth) had no intention of prolonging the New Freedom when that body met in special session on May 19, 1919. As the Republican floor leader put it, "The era of reconstruction and the return of old policies has arrived." Wilson warned against a return to unregulated *laissez faire* in business, but he agreed with Congress in its policy of swiftly dismantling wartime agencies and controls. The conservatives paid no attention to his suggestion that the veterans be aided by a public works and land reclamation program. Even the efficient United States Employment Service was abolished, in response to charges that it was manned by sentimental and radical social workers who coddled labor.

However, conservatives soon discovered that business leaders as well as Wilson did not want to return to the competitive world of 1914. This was particularly true of the railroad executives. While they wished the immediate return of the railroads to private hands, they also recommended that rate regulation continue and acceded to the idea that the government prepare plans for railroad consolidation in order to eliminate unprofitable lines. If high rates could be maintained by the Interstate Commerce Commission, this seemed better than incurring the dangers of the old-time rate wars. Congress

gave little heed to the Plumb Plan of the railroad brotherhoods, which called for the ultimate purchase and unification of the railroads by a federally owned corporation managed by labor, capital, and the government. This was stigmatized as socialistic and dropped.

The Transportation Act of 1920 (the Esch-Cummins Act) therefore returned the railroads to private hands but provided much more extensive federal control than in prewar times. One section read, "The Commission shall as soon as practicable prepare and adopt a plan for the consolidation of the railroad properties of the continental United States into a limited number of systems." This proved an illusion. Most of the real consolidations that arose in the years before 1933 were not planned by the ICC but were due to financiers who used the holding company device of stock ownership to unite rival systems. The most spectacular and disastrous example was the holding company empire of the Van Sweringens of Cleveland, who controlled in this way (and with a shoestring investment) over 25,000 miles of lines.

The ICC was increased from nine to eleven members and given far greater powers. It could initiate and establish minimum as well as maximum rates based on the physical value of the railways—a step long recommended by Senator La Follette. However, the Supreme Court soon accepted the railroad contention that physical value meant reproduction cost (prices were then high) and not the original cost of construction. The increased power of the ICC was partly at the expense of the states, which were forbidden to fix intrastate rates whenever they had even an indirect effect on interstate rates. Congress also gave power to the ICC to regulate the issuance of railway securities; this was intended to prevent the stock-watering scandals of the past.

A rather forlorn hope was the famous recapture clause. In an effort to strengthen the weaker roads, the ICC was to require any carrier with an annual income exceeding 6 percent of the value of railway property to put half of this excess into its own reserve fund, the remainder to be given to the Commission for a general railroad contingent fund. Persistent railroad opposition and an unfavorable Supreme Court decision of 1929 killed this provision.

Still another unworkable section set up a Railroad Labor Board of nine members to settle labor disputes. Since enforcement of the

Board's decisions was left to public opinion, the disastrous results of the Railway Shopmen's strike, as will be noted, could almost have been foreseen. While many parts of the Transportation Act marked progress in federal regulation of the railroads, the total results were quite modest in the light of the collapse that took place during the great depression. The fact that the railroads were highly efficient and gave excellent service had little to do with the act. By that time, competition from the motorcar, gasoline pipe lines, and waterway transportation had destroyed the near-monopoly once enjoyed by the railroads in their particular sphere of operations.

In the same session of Congress the Merchant Marine Act of 1920 was passed to restore shipping to private hands as quickly as possible and to preserve a large American merchant marine. By this time the war-born Shipping Board and the Emergency Fleet Corporation had built over fifteen hundred ships with a tonnage of 9.3 millions and a cost of over \$3 billion. Our experience as a neutral during 1914-1917 had shown how dangerous it was to depend largely upon foreign vessels for shipping services. To meet the main difficulty that American shipbuilding costs and operation usually exceeded those of European nations, nationalists urged public subsidies for the merchant marine. At the same time they demanded that the socialistic operation of these ships by the government cease. Therefore, in the Merchant Marine Act, the federal shipping boards were authorized to sell their vessels on generous terms, including loans, to private owners. Prospective buyers were offered a number of inducements including tax exemption and the repeal of previous laws permitting the competition of foreign vessels in the coastal trade. Meanwhile the Shipping Board was to operate and maintain the fleet as efficiently as possible. However, even the willingness of Congress to subsidize private investors did not revive the uneconomic merchant marine on a businesslike basis.

Nordicism and the Immigration Policy

Labor's fear of a flood of starving European immigrants led the unions to urge Congress to enact restrictive legislation. Support came from the American Legion, the Daughters of the American Revolution, the Klan, and the propagandists of "Nordic superiority," who warned the nation against the alleged inferior southern and eastern

Europeans. Fears were also expressed that the extreme poverty of these people would endanger our own economic standards; furthermore, sensationalist newspapers had made the Red peril a general cause for worry. Popular at the time was Madison Grant's book, *The Passing of the Great Race* (1916), which warned that "racial non-descripts" were adulterating the great Nordic stock. Like others of the "eugenics cult" that was coming into prominence in the press and the colleges, he argued that heredity alone had created a natural aristocracy whose attributes were strength, wealth, and race pride. His other racist arguments resembled those of young Hitler, who made his first bid for power in the twenties.

Wilson fought stubbornly but in vain against the immigration restrictionists. In 1906 the influential Immigration Restriction League had begun to take up the long-extant propaganda for a literacy test aimed at the "undesirables" of southern and eastern Europe. Their spokesman attributed ineradicable criminal traits to these people and asserted that "the hereditary tendencies of the illiterate peoples abroad cannot be overcome in a generation or two." Samuel Gompers, though himself an immigrant, defended a resolution of the American Federation of Labor demanding a literacy test for newcomers. "Cheap labor, ignorant labor, takes our jobs and cuts our wages," he wrote to a sympathetic Congressman. The President replied to the restrictionists as Cleveland and Taft had done before by asserting the historic American tradition of hospitality and equality of opportunity: ". . . The new tests here embodied are not tests of quality or of character or of personal fitness, but tests of opportunity. Those who come seeking opportunity are not to be admitted unless they have already had one of the chief of the opportunities they seek, the opportunity of education. The object of such provisions is restriction, not selection."

A second and much more serious defeat for Wilson at the hands of the conservative Republican Congress (but with many Democrats joining) was the severely restrictive Emergency Quota Law of 1921, which introduced the quota system. Here again the Nordics were given overwhelming preference over those who needed to emigrate most—Italians, Greeks, Poles, Russian Jews, Hungarians, South Slavs, and others of southeastern Europe. While the House of Representatives favored the suspension of all immigration, the Senate

pushed through the compromise bill. The final result was a narrow quota system which limited the number of immigrants from each country per year to 3 percent of those of its nationality residing in the United States in 1910. No quotas were given to Asians, who continued to be banned. The law did not apply to aliens who had resided at least five years in a country of this hemisphere. Wilson could only delay the Quota bill by a pocket veto, for it was reenacted at once by Congress and the incoming Harding administration. Thereafter, the law was extended several times in an even more restrictive form. The liberal immigration policy of the nineteenth century was dead.

European Relief and the Shadow of Moscow

Two specters of the war, European starvation and revolutionary communism, had their own effect on American politics. Fears of world revolution spread as Lenin and Trotsky used confiscated Czarist gold and the current despair to overthrow "bourgeois" governments. The Kremlin's puppet, Béla Kun, rushed into chaotic Hungary to set up a short-lived Communist state by means of terror and instigated Communist plots in Austria and other neighboring countries. German Communists under Karl Liebknecht gained strength rapidly in northern Germany while a similar radical regime, the Bavarian People's Republic, existed briefly in the South.

While democratic forces were lost in postwar disillusionment, feudal and ultranationalist reaction raised its head in behalf of a new totalitarianism. In Hungary, Admiral Horthy's White Terror matched the ferocity of the Red Terror and executed liberals as well as Béla Kun's Bolsheviks. Germany's militarists under Ludendorff, Kapp, and young Adolf Hitler aroused violent hatreds in their attempts to kill off both democracy and communism. Mussolini's war veterans posed as Italy's defenders against communism while they robbed shopkeepers and beat duly elected local officials. Fascism fed on the employer's fear of organized labor, the widespread apprehension of communism, and the aggressive hopes of frustrated young nationalists.

Hungry men and hopelessness furnished a soft spot for Communist penetration. Europe's harvest of 1918 was no more than 60 percent of the prewar average and even that had to be reaped by the most pain-

ful toil of women and children. To make things worse, the Allies (except for Wilson) followed the advice of Foch to prolong the food blockade of central Europe for four months in order to make certain that Germany would sign any peace treaty given her. The burden of providing relief was therefore left to the United States, which contributed loans (never repaid) and outright gifts amounting to \$3.38 billion out of total expenses of \$3.48 billion. Taken together with the wartime loans American contributions came close to \$11 billion.

Large-scale private philanthropy and official generosity, so recently noted in the Belgian relief activities, were of course not new factors in national history. School children of this era gave their pennies to starving Armenia (whose existence must have taxed their knowledge of geography); the Friends' Service Committee continued the Quaker humanitarian tradition by rehabilitating hundreds of thousands in Europe; and the Red Cross and other private agencies gave succor to the destitute. There were also economic and political motives of sound self-interest. American farmers had responded to the high price guarantees of early 1918 by producing far greater quantities of staples and meats than the domestic market was able to absorb. To dispose of these surpluses, which were available only at high prices, the Treasury permitted large credits to Europe; otherwise, a domestic catastrophe might have ensued.

Herbert Hoover, already Food Administrator, was given the added task of administering European relief and rehabilitation. Helped by local committees, hard-working native women, and Allied agencies, he set up orphanages, hospitals, and food depots for an estimated fourteen to sixteen million children who were undernourished. When the dreaded typhus took 100,000 lives weekly during the spring of 1919 and swept toward the Atlantic from eastern Europe, he called for aid from vanquished and conqueror alike to check the plague. Soldiers of "delousing units" stopped the flow of persons along a line of several hundred miles and gradually moved eastward until they had the typhus under control. Hoover also directed efforts to provide work by reviving industries; coal shortages had to be met and defunct trains restored to service.

Statesmen recognized the role of food relief as a preventive of communism. "I need not repeat," Hoover cabled from Paris on January 5, 1919, "that strong liberal relief is today the only hope of

stemming the tide of Bolshevism without the expenditure of lives and vast sums on military action." Wilson persuaded Congress a week later to make immediate relief appropriations, declaring to that body, "Food relief is now the key to the whole European situation and to the solution of peace. Bolshevism is steadily advancing westward, has overwhelmed Poland, and is poisoning Germany. It cannot be stopped by force, but it can be stopped by food. . . ."

The Russian civil war between Reds and Whites hampered Hoover but did not prevent him from feeding and clothing starving Russians. He agreed with Wilson's policy of avoiding the Anglo-French strategy in supporting the White armies. The return of the Czar and the aristocracy seemed hardly worth the cost in American lives; besides, the Reds had cleverly won popular support for the time by offering land at the expense of the fleeing landowners. However, American troops had been sent to Archangel and Murmansk before the armistice to prevent the Reds from taking the Allied arms that had been sent to the Kerensky government and to protect the rear of the westward-moving Czechoslovak forces operating from Vladivostok. At the same time it was hoped that the presence of American troops might act as a check against Japanese designs in Siberia. Several clashes between United States troops and Red detachments took place. Nevertheless, with some coöperation from the Soviets, Hoover managed to spend \$100 million (of which the Russians gave \$20 million) in feeding and rehabilitating Russian civilians. In 1921 Hoover was once more to return to the Soviet Union, this time to deal with the Ukraine famine, which threatened the lives of fifteen to twenty million Russians.

Curbing Labor Militancy

In a modified form, the social ingredients of the turbulent European caldron appeared here after the war. Here as elsewhere, labor fought both a rising cost of living and employers' attempts to reduce working standards; occasionally it flirted with radical measures of social reconstruction. Capital professed to see a plan for world revolution behind labor's demands for union recognition, wage increases, and greater participation in personnel policies.

Against the menace of Moscow there rallied the new American Legion formed by our veterans in the name of "God and country"

to foster "one hundred percent Americanism"; violent clashes occurred frequently between its members and parading Socialists, striking IWW workers, and editors of radical and labor publications. A revived Ku Klux Klan fostered an aggressive nationalist spirit not only against radicals but against Negroes, Catholics, Jews, and their liberal allies. Class war, intolerance, blatant nationalism, extreme economic individualism, radicalism—all of them helped to fill the void left by the absence of effective leadership at Washington. To put down a strike might establish the reputation of a local politician and lead to high office—to even the highest in the land.

Postwar labor militants came from the rank and file, rather than from the recognized leaders of national trade unions. During 1920, Samuel Gompers' American Federation of Labor doubled its 1916 membership figures when it passed the four-million mark, but it cautiously followed a policy of piecemeal advance. The most radical demands in its reconstruction program of February, 1919, were the right of public employees to organize, the municipal ownership of utilities, and a graduated tax on undeveloped land. Hailing a new era in labor history, the AFL went on record for an "American standard of living" with reasonable hours, equal pay for men and women for equal work, and the abolition of child labor. But Gompers vigorously resisted labor's radical doctrinaires, hazardous strike adventures, and the formation of independent labor parties. "There is nothing to be gained," he said, "in taking an immovable stand for an impossible cause."

The major battle of 1919 was the great steel strike, especially in the Chicago-Gary area dominated by the United States Steel Corporation. Ten years previously, a flourishing union in the steel mills had been crushed. As a result, almost half of the men worked twelve hours a day, seven days a week; the average working week for all employees was slightly under sixty-nine hours. Antiunion spies and *agents provocateurs* strove to destroy any incipient unionism. Under such conditions even the preponderantly Italian, Serbian, and Polish workers, who had been chosen for their docility, grew restive.

During 1918 the Chicago branch of the American Federation of Labor had begun an active campaign to organize the steel workers in behalf of an eight-hour day and had chosen William Z. Foster to head the organization drive. Foster had once been a follower of Bryan;

then he became a radical syndicalist, and now he claimed to be an orthodox trade unionist. During the war he sold war bonds as one of the Creel Committee's "four-minute men." Only after the steel strike did he publicly emerge as a Communist; in 1924 he became this party's presidential candidate. He proved highly successful as an organizer, for by the beginning of 1919 every steel district had its own local. The United States Steel Corporation promptly discharged all the union men, and Judge Gary, the chairman of the board, refused to discuss the situation with Gompers, Foster, or any other union official.

After prolonged efforts to confer with Gary had failed, the union voted to strike on September 22, 1919, unless the corporation would agree to a conference. President Wilson pleaded with the AFL that it was in the public interest that no strike be called, at least not until the National Industrial Conference could meet to discuss the situation. Gompers was ready to comply with the President's request, but by this time many of the men, under Foster's militant leadership, were impatient of further delay. Consequently the strike began as planned, and over 343,000 men walked out. The strike spread to western Pennsylvania, where union meetings were suppressed by local officials amid bloody clashes.

While the press, reflecting the company point of view, portrayed the strike leaders as Communists, aid came to the strikers from another quarter, the church. During October the Industrial Relations Department of the Interchurch World Movement undertook a sweeping investigation of the steel strike; their report completely supported the workers. Among the evidence they uncovered was a letter of instructions to a company agent that revealed the tactics employed by the big steel operators: "We want you to stir up as much bad feeling as you possibly can between the Serbians and Italians. . . . Call up every question you can in reference to racial hatred between these two nationalities. . . . Urge them [the Serbians] to go back to work or the Italians will get their jobs." But this report likewise had no immediate effect.

When Negroes were brought to Gary as strikebreakers, rioting broke out. Governor Goodrich of Indiana ordered the state militia to the scene and in the face of continued defiance from the strikers appealed for federal assistance. General Leonard Wood arrived at

the head of United States troops and restored order by proclaiming martial law. Eighteen of the twenty men killed during the disturbance were strikers. As their savings disappeared and the public was still convinced that the strike was a disguised revolution, many discouraged steel strikers deserted even before their leaders officially announced that the strikers would return on January 8, 1920. The unionization of steel workers suffered a setback that lasted until the rise of the CIO.

The Boston Police Strike

Puritan reaction took form with the Boston police strike of 1919. Policemen worked long hours at salaries that began at \$1100 per year, an amount that in nowise corresponded with increased living costs. In London and Liverpool, policemen's unions were winning hard-fought battles, and American police in thirty-seven cities braved severe criticism by affiliating themselves with the AFL. However, the Boston police commissioner, Edwin U. Curtis, denounced this trend, saying, "I am firmly of the opinion that a police officer cannot consistently belong to a union and perform his sworn duty."

Nevertheless, the Boston police applied to the AFL for a charter on August 10, 1919; thereupon Curtis ordered that eight police union officials be disciplined for insubordination and followed this up later by suspending nineteen more. After he had made it clear that he would not accept any compromise proposals 1,117 out of the 1,544 members of the force went out on strike. That evening, mischief-makers embarked upon an advance Halloween celebration, knocking hats off people's heads, removing tires from autos, and throwing stones at streetcars. The more venturesome smashed store windows and carried off merchandise.

Next morning, Mayor Peters took charge himself and ordered out the Boston companies of state troops. Harvard sent out students to help police the city. Meanwhile, Governor Calvin Coolidge, a Republican, took no action until the mayor, a Democrat, publicly attacked him for his inactivity. Stung into doing something on the third day of the strike, Coolidge sent outside troops into Boston, even though order had been largely restored the day previously. Curtis announced that no striking policeman would ever be reinstated, a decision immediately supported by the governor.

By this time the entire nation was watching the police strike apprehensively, although the damages to Boston did not exceed \$34,000. President Wilson, delivering a pro-League speech at Helena, Montana, took time to denounce the strike as "a crime against civilization" and asserted that the duty of a policeman was as sacred as that of a soldier. On the fourth day, the police offered to give up but they were barred by Curtis' lockout order. Gompers appealed directly to Coolidge for their reinstatement, but the governor only used the opportunity (as his autobiography implies) to make political capital for himself. His epigrammatic rejection of Gompers' plea captured the public mind: "There is no right to strike against the public safety, anywhere, anytime." Even the liberal press, which denounced Curtis, could not justify the policemen's decision to use the strike as a weapon, regardless of the provocation.

As a result of the Red hysteria, which confused strike issues, a mediocre state executive escaped political oblivion. Not only was Coolidge reelected as governor (with Wilson's personal congratulations) but his candidacy for the Republican presidential nomination in 1920 proved a formidable threat to his opponents. It was only the fact that Harding's campaign was better planned that finally deprived the Coolidge forces of victory after Lowden, Wood, and Johnson had withdrawn from the race. Even so, Coolidge's consolation prize of the Vice-Presidency opened the door to the Presidency itself.

The Coal Strike and the Labor Injunction

Wilson showed a growing conservatism during the coal strike of 1919 when he reversed his long-standing opposition to the labor injunction by instructing his Attorney General to revive its use. The soft-coal industry had already revealed the fact that it was a sickly part of the American economy. Wasteful or obsolete methods kept its costs up. The rivalry of fuel oil and natural gas, as well as other factors, had reduced demand and forced coal prices downward during the twenties. These basic weaknesses of the greatly overexpanded coal industry had become apparent since the end of the war. To reduce costs, the operators turned to the cheaper nonunion mines of the South at the expense of the organized miners of Illinois, Ohio, and Pennsylvania. Northern miners were much better off than in 1900, but many still lived in filthy mining-town shacks and suffered

from sporadic employment as well as the usual hazards of their work. The high cost of living bore very heavily upon the soft-coal miners because their wages had not been increased since the wage agreement of 1917 with the Fuel Administration. The miners' unions agitated for the unionization of the entire industry as a partial solution of their problem. Insurgent district unions and the wildcat strikes called by independent unions like those in Illinois made it difficult for the central organization of the United Mine Workers to maintain a unified policy.

New unity, comparatively speaking, was achieved when the United Mine Workers held an "international" convention in September, 1919, under the aggressive leadership of young John L. Lewis, the new president. Although cool to a union proposal to nationalize the coal industry, he supported such novel policies as the thirty-hour week to spread employment and a national contract for miners. He advocated the termination of the 1917 agreement and was ready to call a nation-wide strike, if necessary, to secure a new wage contract. Specifically, the convention demanded a six-hour day, a five-day week, and a 60 percent wage increase. When the operators resisted these demands, a strike was ordered for November 1. President Wilson's appeal to the convention, in which he denounced the strike as "morally and legally wrong" in view of the danger to the public safety, failed to move the miners. Accordingly, on November 1, some 450,000 miners left their pits.

At Wilson's request, Attorney General A. Mitchell Palmer, acting under the wartime Food and Fuel Control Act, secured a sweeping injunction on November 8 restraining all officers of the United Mine Workers from carrying on strike activities. Liberals denounced this move as a violation of the administration's pledge not to use this act to prohibit strikes. Lewis agreed to cancel the strike order; as he told the press, "We cannot fight the government." But the miners refused to return to work. Finally, a month later, Palmer and Tumulty, as representatives of the President, conferred with the union leaders and secured their acceptance of Wilson's compromise offer of an immediate token wage increase, this and other disputed points to be arbitrated in the near future. Ultimately the miners received a 27 percent wage increase instead of the 60 percent requested, but no reduction in hours of work. The operators in turn yielded to Wilson's

insistence that they absorb the wage increase instead of passing it on to the consumer in higher prices. Despite general disappointment with the agreement, Lewis' leadership was now well established, and Wilson found it advantageous to work closely with him during later mining conflicts.

One of the by-products of the chronic mining disputes, some of which involved considerable violence, was the well-publicized Court of Industrial Relations established by the Kansas legislature early in 1920. This court offered compulsory arbitration of labor disputes in industries affected by a public interest. Severe penalties were imposed on those who failed to abide by the arbitrator's decision. Thirty years earlier, when labor organizations were still weak, compulsory arbitration had many friends such as Henry Demarest Lloyd and union support, but now it was violently denounced as slavery. Many miners were fined or arrested for flatly defying it. Ultimately the Supreme Court nullified the substance of the law.

Victory of the Open Shop

By 1920 many employers had begun to coöperate in order to capitalize on the strong antiradical feeling and nationalism. To this end they proposed a program, under the attractive name of the "American Plan," which called for the nonunion shop and wage reductions; the chief targets were the war-born unions. Farmers as well as industrialists were invited to subscribe to the "hallowed American principle" whereby every individual has the inalienable right to enter any trade or business without interference—union interference being understood. These open-shop associations had been active since 1895, when the National Association of Manufacturers was first organized. For a generation the NAM had fought the recognition of unions and the patronage of goods using the union label. Now it was joined by local chambers of commerce and the National Metal Trades Association. Southern industrialists, profiting by the low wages prevalent among them, supported the movement vigorously. In the West, Los Angeles became the headquarters of the open-shop movement.

A spectacular victory was won in Chicago when the "big five" meat packers abrogated their union agreement and provoked a strike that ended union control of the industry. The building trade unions

throughout the nation, many of them wealthy and corrupt, proved to be a very vulnerable target for the open-shop drive. The Chamber of Commerce attacked labor's citadel of San Francisco, widely regarded as under the rule of corrupt building trades. Contractors were brought into line by the threat of a boycott by industry. Thus many old-time union leaders were defeated by the pressures against them. Chicago did not succumb, for there the building trades had the united support of liberal sympathizers as well as labor. The Amalgamated Clothing Workers, one of the most powerful national unions, was able to retain the closed shop only after a lockout which resulted in lower wage scales.

The war-bred unions were the real casualties of the drive. Among the older unions many of the advances won during the war were wiped out, particularly among the textile trades. In later years, the permanent fruits of the open-shop drive could be assessed: the multiplication of company unions, the use of labor spies, and large-scale plant policing in feudal style. At the same time, the prewar growth in union membership was arrested.

Sacco and Vanzetti, Symbols

Even more than the Boston police strike, the Sacco-Vanzetti case revealed the dangerous social cleavage in New England and the nation. In April, 1920, the paymaster and a guard of a Massachusetts shoe factory were killed on a street in South Braintree, and their pay roll was seized by five men who drove away swiftly in an automobile. Three weeks later, Nicola Sacco, a shoemaker, and Bartolomeo Vanzetti, a fish peddler in the Italian colony near Boston, were arrested for the crime. Both men were admittedly radicals in their philosophy; they had organized protest meetings against Attorney General Palmer's raids of 1919-1920 and were active in encouraging strikes. In their trial, over which Judge Webster Thayer presided, witnesses whose reliability was questionable convinced the jury that Sacco and Vanzetti were indeed the guilty men. Accordingly, on July 14, 1921, they were sentenced to death.

Execution was deferred until August 23, 1927, as a result of the active intervention of the supporters of labor and liberal sympathizers. "Save Sacco and Vanzetti!" became an international slogan, and demonstrations in their behalf took place outside our embassies

and consulates in Latin America and Europe. Prominent New Englanders who investigated the case took opposing sides. Thus President Lowell of Harvard upheld the processes of the court, whereas Felix Frankfurter, the legal expert, condemned the evidence as flimsy. Critics of the verdict, like the journalist Eugene Lyons, portrayed the trial as evidence of the deep racial, religious, and economic prejudice in New England. Conservatives, Lyons implied, were shaken by repeated strikes, the militancy of labor, the gradual loss of the textile industry to the South, and the westward shift of the shoe industry, and had sacrificed Sacco and Vanzetti to expiate the economic and social ills of postwar New England.

The IWW and Criminal Syndicalism

During this era, when the strike fever was at its height, the casual newspaper reader found it simpler to attribute the basic unrest to the machinations of the Reds than to more complex economic maladjustments. By 1920 at least one-third of our state legislatures had fashioned their statutes pertaining to criminal syndicalism after the New York model, which defined it as "advocating, teaching, or aiding and abetting the commission of crime, sabotage, or unlawful acts of force and violence or unlawful methods of terrorism as a means of accomplishing a change in industrial ownership or control, or effecting any political change." The mere possession of radical literature might suffice to determine the culprit, and those found guilty of criminal syndicalism were liable to imprisonment for ten years or longer.

Ostensibly the new statutes were aimed in particular at the semi-revolutionary IWW, whose success in organizing unskilled workers constituted a threat to the prevailing low wage standards. In spite of the raids on their headquarters during the war, the IWW were still active among the miners, longshoremen, lumbermen, and agricultural workers of the Pacific coast. Migratory laborers, going from one poorly paid seasonal job to another, their pace hastened by hostile local deputies, found it difficult to develop the patriotism felt by the citizen with a stake in America and were an easy prey for the bitter rebelliousness preached by the IWW.

Their songs of social hate heard in the wheatlands and across the timber belt were not the optimistic notes that the pioneers had sung. Among the favorites which they sang even when led off to prison

were "Hallelujah, I'm a Bum!" and a tune borrowed from the hymn books to which they set new words: "You'll get pie in the sky when you die." The militant preamble of the IWW drawn up at Chicago in 1919 frankly expressed a revolutionary aim: "The working class and the employing class have nothing in common. . . . Between these two classes a struggle must go on until the workers of the world organize as a class, take possession of the earth and the machinery of production, and abolish the wage system." They attacked the craft unions as responsible for pitting one set of workmen against another. To them, only industrial unionism would unite all workers to do away with the wage system. Although the IWW was a social tragedy rather than an actual menace, some of its members did practice the violence of their creed such as burning the crops of hostile farmers or sabotaging machinery.

Palmer's federal agents made short work of the Wobblies under the Espionage and Selective Service acts. Fifteen of the leaders were picked off and sentenced to twenty years each. In Chicago, the radical center, Judge K. M. Landis fined an IWW group a total of \$2,300,000. Those without naturalization papers were deported, others jailed. On Armistice Day, 1919, in Centralia, Washington, an American Legion group, intent upon smashing radicalism, raided an IWW hall, but its members had been warned ahead of time and struck back fiercely, killing at least four Legionnaires. Mass arrests and long jail sentences for IWW leaders followed. By the end of 1919, the pre-war IWW membership of 100,000 had dropped to 35,000 and even this figure dwindled. Some of the radicals joined the new Communist party, but the IWW belonged to the past.

The Palmer Raids

Late in April, 1919, the nation was shocked by reports of a Communist plot to murder every public official regarded as antilabor. Packages containing bombs were discovered by the Post Office addressed to prominent figures, including the Attorney General himself. On June 2 Palmer's home was bombed, but he escaped injury. Impatient with the slowness of legal action against the radicals, he determined to ferret out the criminals even at the risk of persecuting the innocent.

Palmer set his trap for radicals by resorting to large-scale wire tapping of telephones, a practice that had been repeatedly con-

demned by public opinion and banned by Congress during the war. Thus he revived a method which was taken up with alacrity in 1920 by harassed Treasury agents who used wire tapping to catch those suspected of violating the new prohibition amendment of that year. Thereafter, despite official criticism of wire tapping as an unethical invasion of a citizen's privacy, the practice grew until the wire tappers of the ensuing decades included not only many federal, state, and city agents but also blackmailers, business competitors, divorce lawyers, private detectives, and simply amateurs. Not until the 1930's did Congress and the courts take active though largely ineffectual steps to halt this practice.

Palmer's preliminary blow fell on December 21, 1919, with the mass deportation of 249 Russians on the transport *Buford*. In January over four thousand aliens were rounded up in a sudden effort to wipe out the Communist parties. Without a warrant, agents of the Bureau of Investigation staged night raids on clubrooms, homes, and other meeting places of workingmen and seized everyone suspected of revolutionary affiliations. Families were separated, some being left without support; prisoners were held incommunicado in small crowded rooms and deprived of their right to legal counsel. Native radicals were turned over to state authorities for prosecution under the criminal syndicalist laws. Aliens were often given only a hasty hearing before an immigration inspector in the presence of a Bureau of Investigation agent. Eventually, Palmer deported 550 radicals.

However, the tide began to turn by the end of January. Assistant Secretary of Labor Louis F. Post succeeded in reversing thousands of orders for arrest and deportation despite the outcry of the American Legion, which demanded his impeachment. Post records in his fascinating book, *The Deportation Deliriums*, how Wilson intervened in his behalf against the Congressmen and patriotic organizations who charged the federal official with disloyalty. Wilson's own attitude toward repression had been expressed a few weeks earlier in his message of December 2, 1919, when he pleaded for a broad program of welfare legislation: "The real antidote for the unrest which manifests itself is not suppression, but a deep consideration of the wrongs that beset our national life and the application of a remedy."

The actual membership of revolutionary parties was quite small. The new Communist party, which had seceded from the "gradualist"-minded Socialist party in September, 1919, had no more than

sixty thousand members. The Communist Labor party, most of which was later absorbed by the Communist party, had between ten and thirty thousand members. These parties consisted mostly of Russians and other aliens belonging to the various foreign-language associations. Such movements had no American roots. The Socialist party lost its revolutionary element when the Communists withdrew and like the British Labour party it became reformist and parliamentary in its platforms and methods. Ironically enough, the Socialists called for police protection in August, 1919, to oust the Communists and other extremists from their convention hall. Despite a small dues-paying membership of 39,000, the Socialist party through Eugene Debs, nominated five times for the Presidency, polled as many as 920,000 votes in 1920. Thereafter, the party continued to decline in influence.

The Anti-Socialist Campaign

The Socialist party itself was put on trial in the person of one of its founders, Victor L. Berger of Milwaukee, an Austrian émigré of 1878. As editor of the *Socialist Leader*, a Milwaukee paper which criticized our entrance into the war, he was indicted under the Espionage Act in February, 1918, and sentenced the following December by Federal Judge Landis to twenty years' imprisonment. The situation was complicated by the fact that in November he was elected to Congress, defeating both his Republican and Democratic opponents. Berger appealed his case, and the Supreme Court set aside the Landis sentence on the ground of judicial prejudice; thereafter, the federal charges against Berger were dropped.

When the Milwaukee Socialist presented himself to be sworn in as a member of the House of Representatives, he was denied his seat because as a Socialist he professed doctrines inconsistent with the oath of office. Ignoring the Democratic candidate's claim to Berger's seat, the impartial governor of Wisconsin ordered a special election. Despite a Republican-Democratic fusion movement, Berger won again, this time by an even larger majority vote. Again the House of Representatives refused to admit him. Eventually, however, when the Red scare had abated, Berger was admitted.

In January, 1920, while Palmer was hunting Reds and Berger was fighting for his seat in Congress, the New York State assembly burst into an orgy of patriotism induced by the Lusk Committee, which

was investigating allegedly subversive activities. When the legislative session opened on January 7, Speaker Sweet called upon the five Socialist members to rise, denounced their membership in an unpatriotic organization like the Socialist party, and referred to a forthcoming resolution of the assembly to declare their seats vacant. Theodore Roosevelt, Jr., a member of the assembly, condemned the proposed resolution as contrary to American traditions. Speaker Sweet, in refutation, read excerpts from the writings of the elder Roosevelt on 100 percent Americanism, and the Socialists were expelled by an overwhelming vote on a variety of personal, political, and religious grounds.

Incisive criticism of the assembly came from Charles Evans Hughes, a former governor of New York and later a liberal member of the Supreme Court. Revolutionists, he said, should be punished, but it was an extremely serious mistake to deprive entire groups of citizens who had combined for political action of the only means of peaceful government, the ballot. Hughes was backed by the New York Bar Association, which had asked him to serve as chairman of a special committee to investigate the expulsion. When the assembly's own investigating committee refused to admit the Hughes committee to its hearings, Hughes left, delivering a parting shot in his statement that the entire proceedings were legally indefensible.

Further attempts of the Lusk Committee to Americanize New York State failed. The Committee organized raids on the Rand School in New York, a famous labor institution with Socialist affiliations, and it secured the passage of bills barring all subversive organizations from the ballot. When the progressive-minded governor, Alfred E. Smith, vetoed these bills, the assembly retaliated by adjourning without action on the governor's welfare measures, a victory, as Speaker Sweet put it, for "undivided Americanism." Several years later, with another governor at Albany, the Lusk bills, amended to include sweeping penalties for teaching or otherwise advocating subversive ideas, became law. They remained in effect until Smith's second term as governor, when they were repealed.

Era of the Ku Klux Klan

Postwar intolerance compounded of economic discontent and blatant nationalism fell with crushing force on the Negro. His war rec-

ord failed to impress the southern advocates of white supremacy and his invasion of northern urban centers and factories alarmed people in that section. Negroes were charged fantastic rents for crowded unsanitary quarters in segregated areas of northern cities; and the whites who owned homes on the fringe of Negro neighborhoods used every means, from economic pressure to physical violence, to halt their further encroachment.

The Ku Klux Klan had been revived in 1915 by "Colonel" William J. Simmons, and in 1920 it was given a new lease on life by leaders (like the Imperial Wizard Hiram S. Evans) who made the fostering of intolerance financially attractive by means of an elaborate fee system. Although the Klan relied on its diverse anti-Semitic, anti-Catholic, antialien, and anti-Red activities for northern support, the hoary banner of white supremacy was sufficient in the South. This army of intolerance had an estimated four to six million members throughout the nation by 1924. The *New York World*, tabulating the Klan's activities in the South during 1920-1921, included four murders, two mutilations, forty-one floggings, twenty-seven tar-and-feather parties, and five kidnappings. Forty-three citizens were warned to leave their towns and fourteen communities were threatened; on numerous occasions masked men in Klan regalia paraded through the streets with warning placards. An investigation of Klan violence in Oklahoma revealed over two thousand outrages of various kinds during a two-year period. In Texas, which became a center of the movement, the Klan secured the passage of a law excluding Negroes from Democratic primaries, thus virtually disfranchising this race since primaries were usually equivalent to elections in the South. But in *Nixon v. Herndon* (1927) the Supreme Court ruled this law unconstitutional as a violation of the "equal protection" clause of the Fourteenth Amendment. By the late 1920's the Klan, especially in Indiana, so overreached itself in immorality and corrupt state and national politics that it hastened its own end.

During 1919, anti-Negro groups in the South could point complacently to the race riots in the North, some of them far bloodier than any of their southern counterparts. In Chicago an argument between whites and Negroes on a bathing beach developed into an alarming race war that lasted four days. Gangs raided the Negro district, beating many of its inhabitants and destroying considerable property,

and mobs of Negroes clashed with whites in hysterical fury. Twenty-three Negroes and fifteen whites were killed and over five hundred of both races were injured; about one thousand people, largely Negroes, were left homeless. Underlying the race war was the newly aroused fear among the whites that the Negro migration from the South, which had doubled in a decade, threatened their security, both personal and economic. A similar large-scale race riot broke out in Washington, D.C., whose white residents were aroused by the specter of the rapidly mounting Negro population. The year ended with a total of twenty-six such riots, including those that occurred in the South and other scattered riots in factory towns.

Negro resentment, conforming to the nationalist pattern of the time, took the form of a strong race consciousness that was evident in the challenging pages of postwar Negro writers. The most pathetic manifestation of this race consciousness was the "Back to Africa" movement headed by Marcus Garvey, a Jamaican Negro who dreamed of converting Africa into a huge Black Republic. The movement reached large proportions in 1921, especially among the Negroes who had moved to the North, like those in New York's Harlem, for it offered emotional satisfaction to uprooted Negroes, most of whom enjoyed their leader's extraordinary showmanship and the titles and colorful uniforms displayed by his followers.

An International Negro Convention was held by Garvey's followers in New York in August, 1920, to draw up a Negro Declaration of Independence; it proclaimed that the Negro would never enjoy the "full rights of manhood and liberty" except under a Negro government in Africa. To Garvey, the white worker was an inherent enemy of the Negro worker and hence the latter must ally himself with his employer and eventually launch his own enterprises. As president of the Universal Negro Improvement Association which he founded, Garvey collected no less than a million dollars among as many Negro members—at least so his adherents claimed. He also promoted several promising coöperative grocery stores, but he dissipated his funds on worthless vessels for the Black Star Steamship Line which he formed to transport Negro emigrants to Africa and to carry on trade between Negroes on the two continents. Finally, like other false messiahs of history, Garvey fell from grace; he was imprisoned for swindling and deported to Jamaica in 1927.

The New Freedom ended upon a tragic note of frustration. Wilson had raised the hopes of his countrymen, and to some extent of the entire world, that the war would not be fought in vain. Not only had he failed to bring this country into the League, but he had done all too little in stemming the postwar assault on civil liberties. His welfare legislation had been either unsuccessful or merely rudimentary. The Supreme Court had nullified his Owen-Keating Child Labor Act and was shortly to weaken the Clayton Act and other regulatory legislation. He revived the labor injunction during the coal strike of 1919. The war had made the beneficial Underwood Tariff obsolete and the Republican Congress of 1919-1920 returned the country to the traditional high tariffs and immigration restriction. His farm legislation had been salutary, but inadequate to stabilize agriculture. Administration policy had usually been friendly to labor, but union strength had been partly dissipated by the postwar reaction. Foreign policy in the Caribbean and the Far East had begun on a high note of golden-rule anti-imperialism, but even this policy had not prevented the very marine interventions that he had despised.

World War I unleashed the destructive forces of chauvinism and class hatred, and after the war this heritage of hate colored reconstruction. Misdirected mass emotion replaced the wartime spirit of sacrifice with a hysterical disregard of free speech. Bigotry stood unrebuked in its attack upon the security of the Negro, the Jew, the Catholic, and the alien. The stage was set for the rampant individualism of the twenties.

Nevertheless the solid progressive qualities of Wilson and his predecessors Roosevelt and Taft inspired a later generation to continue their task of building a social democracy. Woodrow Wilson charted the direction of the future in behalf of the equal rights of every nation, small and large, and for a larger measure of government intervention necessary to preserve individualism against the forces of monopolistic collectivism. Finally, he and the progressives of his day left a residue of pioneer legislation in behalf of the consumer, the laborer, the family, and the proponents of democratic free enterprise.

Chapter ||

THE TWENTIES: TRIUMPH OF MATURE CAPITALISM

Stabilization of Business

Despite the turmoil of the postwar period, such consistent levels of prosperity were attained during the 1920's as to inspire sober economists as well as ecstatic Rotarians with the belief that economic life had been stabilized and that violent fluctuations of the business cycle were a thing of the past. The high priests of efficiency and service had apparently triumphed—in America at least—and Europe came hat in hand to her former pupil to learn the secrets of rationalization, standardization, and other mysteries of mass production. Man stood on the threshold of the abolition of poverty—or so it seemed.

To Werner Sombart, a brilliant if erratic German economist, the postwar decade represented an extraordinary change in the nature of capitalism itself. The bright summer of ripening prewar capitalism had yielded to the golden autumn of mature capitalism, he believed; the businessman's former daring decision and intuitive judgment were replaced by the impersonal and objective operations of management, the systematic planning of production, and the self-imposed regulations along bureaucratic lines. Spontaneity gave way to systematized knowledge. " 'Stabilization of business,' " wrote Sombart, "seems to be both the slogan and the accomplishment of this period." It was indeed fitting that the twenties were to close with Herbert Hoover, the chief evangelist of stabilization, in the White House.

The domination of the engineering ideal had been foreshadowed

by prewar trends, and the blueprints of economic planning in industry, or rationalization, had been prepared two decades before by Frederick W. Taylor and his disciples. The fragments of handicraft techniques that still survived, as in shoemaking, quickly succumbed to the machine. Engineering experts who standardized the size and shape of various manufactured products claimed that the automobile industry alone was saving \$750 million annually through the processes of standardization. Himself an engineer, Hoover served as Secretary of Commerce under both Harding and Coolidge and preached the gospel of simplification to businessmen. For example, the Bureau of Standards in the Department of Commerce fostered new economies by reducing the prevailing sixty-six varieties of paving brick to four, and the approximately forty-four types of hospital beds to one or two. These, together with scores of other similar simplifications, were estimated to have saved the nation almost \$5 billion by 1929.

That rational planning in the form of systematized invention had come fully into its own seemed evident from the numerous million-dollar expenditures made annually for research work in the chemical, electrical, petroleum, and machine industries. New efficiency was made possible by cost accounting, many types of statistical services, and job analysis in the personnel field. Marketing devices ranging from sales promotion to elaborate style-making bureaus grew increasingly sensitive in anticipating and even creating demands. Business forecasting, still in the rudimentary stages, became popular in many quarters as a valuable planning tool. Inventory control methods and improved transportation facilities made possible a drastic reduction in goods that were hitherto stored in company warehouses far in excess of any immediate demand—merchants recalled all too well the serious difficulties created by huge inventories during the depression of 1920–1921. Secretary Hoover, in an address in April, 1927, attributed the nation's current abundance of capital to the sharply decreased inventories of almost every commodity. Thus capital became more mobile, and mobility itself was a dominant characteristic of life in the 1920's.

Scientific Management

At the head of the efficiency movement was the versatile engineer, Frederick W. Taylor, "father of scientific management." During the

eighties he had been a gang boss in a steel company and had been struck by the fact that the foreman's pressure upon the worker for more output resulted merely in conflict. "Throughout American industry," he observed in later years, "management's concept of a proper day's work was what the foreman could drive workers to do and the workers' conception was how little they could do and hold their jobs."

In his methodical way he measured the manual operations that constituted a fair day's work and in his famous paper, "A Piece Rate System," he suggested a time-study and rate-fixing department in which the stop watch played the main role. In another significant paper, "Shop Management" (1903), he explained the pioneer ideas of scientific management such as the divisions of "routing," "cost-and-time," and "disciplinarians" (the early personnel manager). A clearly defined task of reasonable difficulty, involving standardized conditions and high wages for successful performance, was Taylor's ideal. He expected that the higher wages resulting from lowered operating costs would bring labor and management together. In the ensuing years he and his disciples invented the Taylor-White process for treating high-speed tool steels, increasing cutting capacity by 200 or 300 percent. Other tools were developed to fit the needs of a closely integrated production plan.

"Taylorization" came into vogue after 1910 as a result of a widely publicized railroad rate case. Brandeis then argued as counsel for one of the parties concerned that the shippers had not exhausted the possibilities for further economies and that the Taylor system would increase managerial returns and raise wages at the same time. World War I gave scientific management another impetus, for its applications to large-scale production resulted in extensive economies. During the twenties the movement was spurred on by competitive factors which required the most rational use of materials, labor, and machinery. Time and motion studies became indispensable preliminaries to the introduction of new machines and processes. First to feel the revolutionary impact were the metalworking industries.

Not least of the revolutionary effects of scientific management was the great impetus it gave to the wide acceptance of cost accounting. This indispensable tool of modern business and industrial planning enabled management to analyze costs so as to maximize profits and

minimize losses. A knowledge of unit costs made it possible to decide with hitherto unknown precision as the quantity of goods to be produced and the most efficient use of labor and equipment; it offered a statistical basis for budget making. Thus the cost accountant, who had made his debut shortly before World War I, heralded a significant change in the maturing profession of public accounting. Harvard had in 1908 made scientific management the cornerstone of its new school of business; now many colleges speedily took it up, together with the teaching of cost accounting and other related courses.

The American Federation of Labor attacked scientific management as bound to increase unemployment and to stimulate ruthless speed-up systems. Charlatans in the guise of "efficiency engineers" seemed to exemplify the slave-driving aspects that labor feared. Craft-conscious workmen resented the encroachment of the intensified division of labor while arbitrary executives resisted the planners' tendency to minimize personality, whim, and chance. Actually, as H. S. Persons declares, labor's power increased because management became dependent upon the exceptional degree of coöperation required by the Taylor system. Workmen, as in the firms of Hart, Schaffner, and Marx and in the Baltimore and Ohio railway workshops of Daniel Willard, were given incentives to share with management their original ideas of reducing costs and improving the product. Scientific management reassured labor by its pioneer efforts in industrial psychology to reduce fatigue, its success in eliminating accidents, and the fact that higher wages came as a result of the system.

Taylor's ideas were eagerly taken up by postwar Germany as the foundation of its "rationalization movement." Lenin and the Soviet Union borrowed heavily from Taylorization, though the arbitrary Communist system encouraged an extreme speed-up situation; for a time, Soviet playwrights were even permitted to poke fun at the new emphasis on "tempo." However, the impersonal quality of Taylorization and the assembly line left uncomfortable speculations regarding the future of civilization. The Czech dramatist, Karel Čapek, crystallized a popular fear of human mechanization in his depiction of docile mechanical slaves, the robots, that toiled efficiently and impersonally in a play of 1920, *R.U.R.* (Rossum's Universal Robots).

Economic Expansion and Consolidation

In the story of our expanding economy, the greatest revolution of the decade was the swift adoption of cheap electrical power in place of steam. A series of technical inventions had cut the cost of generating electricity and of transmitting it over long distances. In 1914 scarcely one-third of industry used electricity, but by 1929 almost three-fourths drew their power from this source. Thus the shortage of unskilled labor due to immigration restriction was met by electricity and a faster tempo of mechanization. Altogether, the productivity of labor increased about 60 percent. Agriculture too felt the impact of mechanization and other innovations, for the men required for each unit of production fell off by one-fifth.

While great northern cities boomed, the South was entering a more advanced phase of the Industrial Revolution in the field of large-scale industry. The water power of Alabama, Tennessee, and North Carolina provided the basis for an industrial revolution. North Carolina, where James B. Duke had founded huge tobacco and water-power organizations, enjoyed spectacular prosperity, the value of her manufactures alone rising during 1910-1927 from \$216 million to more than a billion dollars. New England's textile manufacturers had surrendered to southern primacy in their field by 1915, thus completing a contest that had begun in the 1880's with the southern movement to "bring the cotton mills to the cotton fields." Southern textile manufacturers were close to the sources of raw cotton, cheap unorganized labor, and ample electrical power and they seemed immune from expensive state welfare legislation. However, textile owners found southern labor less than docile in 1929 when a violent strike broke out in Gastonia, North Carolina. Elsewhere, the textile industry, like the bituminous coal industry, limped behind other segments of the national economy and failed to share in the prosperity of the twenties.

Bigness in industry and commerce grew even more rapidly than in prewar days. As in the past the motives varied: Many desired to cut costs, increase efficiency, prevent price wars, and stabilize the industry. Others hoped to escape the antitrust laws by outright consolidations; and still others were interested in the profits that stock manipulation and "insider control" made possible. The twenties saw

the disappearance of over six thousand factories and mining companies and over four thousand public utility firms. There were nearly eighteen hundred bank mergers; hundreds of country banks disappeared as their farmer-clients went bankrupt. By 1930, two hundred business corporations owned nearly half of the corporate wealth of the country and 20 percent of the total national wealth. The holding company, which produced nothing but pyramided the stock ownership of numerous subsidiaries into a few hands, was especially popular in the fast-growing public utility field. It offered an inexpensive and effective method of consolidation to small cliques that aspired to control huge aggregations of capital.

The electrical industry was joined by other pacemakers for the expanding economy: the automobile, real estate, and the radio, which will be considered shortly. In addition, there came out of the war a vast chemical industry based partly upon advantages derived from confiscated German patents. The industry had its powerful spokesman in the Chemical Foundation, formed in 1918 by producers and large consumers as a special licensing corporation to acquire more than 4,500 German patents. Next to Germany, the United States ranked now as a major producer and exporter of synthetic dyestuffs. The potentialities of chemistry for monopoly as well as public service were enormous. In this era, for example, the Du Pont family, which had monopolized smokeless powder during the war, acquired General Motors and its discoveries of tetraethyl lead (used in anti-knock preparations) and a refrigerant basic for the production of GM Frigidaires. In addition the Du Ponts acquired control of the United States Rubber Company and a host of leading producers of synthetic fertilizers, rayon, and pharmaceutical products.

Chain stores made rapid inroads upon the domain of the independent retailer, capturing one-fifth of the business by 1929. Among the striking growths in chain enterprises were those in the drug business by Walgreen and in food distribution by the Great Atlantic and Pacific Tea Company (the "A and P") and by Kroger, Safeway, and National Tea. Almost all of the variety goods, nearly one-third of the tobacco products, and a large proportion of general merchandise and wearing apparel were sold by chain stores. Woolworth, Kresge, and Sears, Roebuck became household words throughout the nation.

The Great Bull Market

Business apologists were convinced that a democratic revolution had taken place in stock ownership. By the end of the twenties, the former two million shareholders in American enterprises had become seventeen million, and the large proportion of employee-shareholders suggested that the ownership of business had become socialized. But this inference was grossly exaggerated, for the diffusion of stock ownership increased rather than decreased the centralized control of corporations by "insiders." Highly negotiable stock certificates offered a type of mobile ownership that was advantageous to small cliques of managers and directors; moreover, the latter were also aided in maintaining control by the device of nonvoting stock and the small shareholders' indifference to questions of policy. As for the employee-shareholders, the amount of stock they could purchase was usually limited.

Capital poured into industry from widespread sources as stenographers and office clerks, encouraged by the new investment departments created in the large banks, stormed the stock market. Speculation has always characterized American economic life, but seldom has it been so well channeled by new credit institutions and a trained army of promoters. To many the mercurial stock market offered an attraction for idle capital that even the boom in urban real estate could not match. Moreover, it was part of the current patriotic faith in Coolidge prosperity to believe what Secretary Hoover said in 1928: "We seem only to have touched the fringe of our potentialities." No stock price seemed fantastic to one imbued with this faith, and the climactic bull market of 1927-1929—while it lasted—strengthened the illusion.

Organized business, no longer shamefaced as in trust-busting days, eagerly sang its own praises. Boosters' clubs, trade associations, chambers of commerce, and service clubs emphasized the sanctity of private enterprise, the "American way." The Rotary International, a social organization devoted to the interests of business promotion, claimed that it had three thousand clubs in some forty-four countries; and the Kiwanis International (a name taken, interestingly enough, from an Indian word meaning "to make oneself known") and the Lions made similar claims. Few considered Bruce Barton, a

New York advertising executive, irreverent when he wrote *The Man Nobody Knows*, in which Christ was pictured as a great business executive who used parables as advertisements in behalf of the ideal of service. The association between business and religion was further stimulated by the Calvinist virtues of sobriety, perseverance, and labor preached by President Coolidge. Industry, led by advertising, assumed the role of crusader for a prosperous society. In 1927 over \$1.5 billion was spent on publicizing the products and services of business—a function that became big business in itself. Even college professors and ministers spoke of “selling” their messages to their audience.

The striking prosperity which made Europe gasp was in reality unevenly distributed, for large groups of farmers, miners, textile workers, and many others failed to share the good fortune of their commercial brethren in the cities. Nevertheless, the material gains for the nation as a whole were unmistakable. Real income rose from \$40.25 billion in 1917 to over \$54 billion in 1928. Savings accounts increased from \$8 to \$23 billion during 1914–1925; the major part of this was due to the fact that the number of predominantly small depositors increased from 11,000,000 to 43,000,000. Between 1921 and 1929, wages on the whole made the most substantial advance over prices in more than three decades.

Even the brief economic recessions of 1924 and 1927 did not alter this favorable picture. Although there was little evidence of any radical tendency toward greater equality in the distribution of wealth, the greater amount of goods and services available meant a higher standard of living for most groups. By 1929 the infant automobile industry was providing a motorcar for one out of every five people; in Muncie, Indiana—the Lynds’ Middletown—sixty out of 123 working-class families owned cars. Unprecedented expenditures for education, health, recreation, and furniture bore out the general feeling of a steadily rising level of well-being.

Producers and distributors showed marked impatience at the consumer who failed to replace his old possessions with new products and models. The advertisers’ appeal to “keep up with the Joneses” was made easy for the consumer by the appearance of an aggressive breed of personal finance companies that promoted new expenditures on a large scale. Installment selling, which before the war had

been largely confined to furniture, sewing machines, and books and had totaled less than a billion dollars in 1910, reached new peaks in spite of its high costs. The volume of retail installment selling reached \$5 billion in 1925 and \$7 billion in 1929, with automobiles and radios leading the procession.

The Automobile and the Real-Estate Boom

Much of the flavor and speed of life during the twenties was due to the popularity of the automobile. Almost four million people, from assembly-line mechanics to private chauffeurs, secured their livelihood from this, the largest of all our industries. German technicians who came here to study our methods of production returned home to spread the gospel of *Fordismus*.

Henry Ford retained his undisputed leadership throughout the twenties, although in 1927 he had to replace his standardized ugly duckling, the Model T, with a more ornate car in order to meet increasing competition from Chevrolet in the lower price field. Millions came to see his Model A on display, their interest aroused by the widespread publicity the new model received in the press. Ford's nearest rival was the General Motors Company, established by William C. Durant but now owned largely by the Du Pont and Morgan interests. This company made not only the economical Chevrolet automobile but also various high-priced cars, as well as trucks. Completing the "big three" was the Chrysler Corporation, founded by Walter P. Chrysler, who through his bold financial and engineering policies secured a dominant position for his company in the automobile field. These three concerns, together with their powerful satellites—petroleum, rubber, plate glass, and leather upholstery plants in and around Detroit and other automobile centers—handled four-fifths of the industry's total volume of business.

All classes took readily to the automobile after the invention of such conveniences as the self-starter, the four-wheel brake, the cord tire, and the low-priced closed car. Strong competition between the auto manufacturers steadily reduced the number in their ranks but also led to a constant stream of innovations at low cost. Finance companies sprang up in large numbers to lend money to the majority who could not pay cash for the car. In 1921 there were 1,500,000 cars that came off the assembly line; in 1929 there were 4,800,000 and the

value of this output made up 12.7 percent of all manufactures. There is little doubt that the auto business and that of its satellites spearheaded the prosperity of the 1920's.

As 23,000,000 cars appeared throughout the country, startling alterations in the national way of life took place. Highway construction on a lavish scale became a requisite for men who aspired to be elected to office. The highways brought urban patterns of living to hitherto isolated communities, and regional cultural differences declined. Recreation became a major industry as millions poured each year into the new national and state parks and forests and the numerous resorts, camps, and other vacation spots.

Promoters made the hitherto inaccessible beaches of southern Florida a tourists' paradise. New highways were built to supplement the limited facilities offered by the railroads, and solicitous legislators called attention to the absence of inheritance and income tax laws in Florida and added special inducements to corporations. Miami, Palm Beach, and Tampa grew almost overnight from sleepy villages to bustling and attractive cities. Even William Jennings Bryan, who was in the midst of his battle for fundamentalism, found time to praise "Magic Miami" to tourists and incidentally to earn almost half a million dollars by selling Florida real estate. During the 1926 season alone, it was estimated that visitors spent a billion dollars in Florida's vacation resorts. By the end of the decade the population of the state had been increased 50 percent by the influx of Northerners. (This trend jeopardized the orthodox southern politics of Florida, once a member of the Confederacy.)

New suburban subdivisions sprang up near New York, Chicago, Detroit, and other large cities as the result of the mass migration of the middle classes made possible by the automobile. Realtors, succumbing perhaps to their own eloquence, promoted future suburbs that were not even at the blueprint stage. California's boom owed much to the railroad as well as to the automobile, for the average Easterner found a trip of over two thousand miles in a car that could make only twenty-five or thirty miles an hour too strenuous and time-consuming. Tourists echoed the indefatigable Los Angeles Chamber of Commerce in singing the superior virtues of California's year-round climate in comparison to Florida's. People from less-favored sections swelled the population by 2,250,000 during the

1920's; most of them settled permanently in the southern part of the state, especially in Los Angeles.

On the other hand, the automobile introduced certain problems that were profoundly disturbing. For one thing, deaths from automobile accidents between 1919 and 1929 increased from slightly over 11,000 a year to well over 31,000. Furthermore, the automobile proved an exceptional convenience to criminals in evading police and for kidnaping and bank robberies. Finally, the motorcar was regarded by sociologists as a major contributing cause of juvenile delinquency.

The Birth of Commercial Aviation

The average American of 1920 still thought of the airplane as a sensational plaything operated by a stunt flier who usually ended up in a crash. Yet technical advances during the war had proved the practicability of aviation as an important part of transportation. The United States felt too secure from air bombs because of its detached geographic position to worry about the surprising progress in civil aviation made by Germany, which had been forbidden by the Treaty of Versailles to build military planes.

In 1918 President Wilson's Postmaster General had taken the initiative of introducing commercial air service between Washington and New York. He followed this up a year later with a transcontinental mail service which depended partly upon a rail connection. In keeping with the policy of "less government in business," the Republican Congress demanded that the Post Office turn over its air-mail business to private companies and argued that this would stimulate aviation in general. As a result the Kelly Act of 1925 authorized postal officials to contract with private operators for the carrying of the air mail, allowing a substantial profit as an indirect subsidy. This gave an incentive to the investment of capital in the aviation industry.

The very year that the Kelly law was passed, the most aggressive champion of air power was court-martialed. General William (Billy) Mitchell, who had been a wartime commander in the Air Force, bitterly criticized the aviation service for mismanagement and corruption. Though he was suspended and forced to resign, he had opened up an issue through his speeches and books that led to a thorough

investigation of national aviation. In the end, the military aviation arm was strengthened and the Air Commerce Act of 1926 passed to regulate and encourage commercial air transport.

Popular interest in commercial aviation grew enormously after a series of spectacular transatlantic flights by British and American fliers. On May 20-21, 1927, Charles A. Lindbergh made the first non-stop flight from New York to Paris in his plane, "The Spirit of St. Louis," crossing in 33½ hours. Following unusual newspaper and radio publicity, Lindbergh returned to be greeted by wildly enthusiastic crowds in Washington and New York City. Other intrepid aviators aroused the nation by their nonstop flights over the Atlantic, the Pacific, and both North and South poles.

Most important for the immediate expansion of commercial aviation was the influence of the bull market of 1927-1929. With millions of idle dollars and ample credit, speculators were ready to indulge their fancy about the unlimited future of aviation. Thus, while there were in 1928 only 489 planes engaged in passenger service with an annual load of a half-million passengers, these figures jumped the following year to 7408 planes and nearly three million passengers. Civil air transport, which relied mainly on air mail and express packages, also developed rapidly and operated over 36,000 miles of commercial airways. The total value of aircraft industry products rose from \$9.2 million in 1921 to \$98 million in 1929. Less than 1400 wage earners were needed by the industry at the earlier date, but over 22,000 men were employed in 1929. No longer was it necessary for the government to buy the entire output of the aircraft industry, for its purchases were not more than 12 percent by the end of the decade. When the depression came, aviation suffered severely, but a dazzling future lay ahead.

The Radio and Urbanization

Even more intrusive than the automobile and airplane as a missionary of urban sophistication was the radio, which first became popular in the winter of 1921-1922. Although the basic inventions had been made before the war, they had scarcely been applied commercially when the Westinghouse Electric Company set up Station KDKA in East Pittsburgh in 1920 and broadcast the Harding-Cox election results. Within a brief period, radio receiving sets and inci-

dentally the programs had so improved that the sales of radios and radio accessories soared from \$60 million in 1922 to over \$842 million in 1929, and practically one family out of every three owned a radio.

Sociologists were quick to point out the rich social implications of the radio. Like the automobile, the radio broke down regional and national cultural barriers; it standardized speech and brought an urban outlook to the village. It provided greater safety for airplanes and ships. It was a means of popularization, for it could rapidly exploit various pieces of music, in some cases to the saturation point; it stimulated interest in sports and gave travel added pleasure. The radio aided adult education, although early hopes for a "university of the air" failed to materialize as fully as expected; it popularized domestic science, health information, and scientific farming, and quickened the general interest in current events. The Republican and Democratic parties spent \$1.25 million for radio time during the 1928 campaign. Had radio been generally available in 1919, Wilson might have been spared to the nation, for his health broke down when he tried to appeal directly to the voters on the League issue.

Secretary Hoover was at first entrusted with the task of ending the anarchy in broadcasting caused by conflicting wave lengths. When his staff closed down the station of a persistent "wave jumper," the Los Angeles radio station operated by the colorful evangelist, Aimee Semple McPherson, he received this letter:

Please order your minions of Satan to leave my station alone. You cannot expect the Almighty to abide by your wave length nonsense. When I offer my prayers to Him I must fit into His wave reception. Open this station at once.

Aimee Semple McPherson

Fortunately, the evangelist was persuaded to hire a radio manager who had more regard for the "wave length nonsense." In the Radio Act of 1927, Congress established the public ownership and regulation of wave lengths and provided a President-appointed Federal Radio Commission as a regulatory agency to license new stations as well as to assign wave lengths. No censorship power, except where obscenity and obvious abuses were involved, was granted the Commission. In practice, the FRC was a conservative body which proved

so sensitive to "propaganda" that critics insisted it was favoring the advertisers at the expense of educational program sponsors.

In 1929 there were 606 broadcasting stations, many of them organized into the two major networks, the National Broadcasting Company and the Columbia Broadcasting System. By that time, radio treaties had been concluded on a world scale as a result of an international conference of 1927 in Washington sponsored by the State Department.

Welfare Capitalism and the Unions

With industrial expansion, labor prospered. The eight-hour day became almost universal, even in the steel industry, and the five-day week spread in the building trades. Real earnings jumped from 106 (1914 = 100) in 1920 to 132 in 1928. Enlightened employers preached "welfare capitalism," which stressed high wages and a reduced labor turnover as the key to efficiency and high purchasing power. "Business scientists" introduced profit-sharing plans, employee ball parks, recreation rooms, plant cafeterias, and pleasant working conditions. Many corporations instituted plans covering death, disability, and retirement. Scientific management led the way.

But technological unemployment worried the unions. In 1929 the railway brotherhoods demanded a six-hour day in order to employ "the victims of the machine." Efficiency, they charged, had made it possible for one train crew and one engine crew to do the work that required five crews in the recent past; as a result 350,000 men had been laid off since 1920. The machine demanded speed and agility rather than experience and judgment; the future was bleak for older men.

Unionization was at a standstill. One reason was that the craft-conscious American Federation of Labor had no real desire to organize the unskilled workers on whom mechanized industry depended. Another reason was that the open-shop movement drew off large numbers into company unions. For these and other reasons trade-union membership stood at its prewar figure of slightly over three million. Critics charged that William Green and particularly Matthew Woll, heads of the AFL, were too absorbed in lobbying for high tariff rates and immigration restriction to be concerned with the advance of genuine labor aims. The pioneer impulse for the so-

cial security movement came from outside the AFL. Within the labor movement union corruption and racketeering went unchecked.

Some of the larger independent unions accepted welfare capitalism but sought to keep it from becoming an employer's weapon to halt unionization. The powerful clothing unions, led by Sidney Hillman's Amalgamated Clothing Workers and David Dubinsky's International Ladies' Garment Workers, won outstanding victories for collective bargaining without class warfare. They entered the field of unemployment insurance in 1923; and even in 1929, after the great crash came, they continued this pioneer experiment and had an excellent record of solvency.

The Amalgamated, for example, accepted the ideal of efficiency and coöperated with employers in eliminating waste in production and in bringing about a greater annual wage. In this they followed the advice of Louis Brandeis, the champion of scientific management. Piece rates were voluntarily cut in order to stimulate business and the union even financed many clothing manufacturers. This union was also a pioneer in experimenting with low-cost housing, for it sponsored a huge coöperative project for its members in the crowded sections of New York City. The Congressmen who were then assailing the "inferior" New Immigration might better have paid tribute to the members of this union who, predominantly of Jewish and Italian descent, had mastered the difficult techniques of industrial democracy.

The Forgotten Man: The Staple Farmer

The postwar deflation lingered for a decade among the staple farmers and made agriculture one of the weakest sectors of the economy. There were several basic factors which explain the farmer's failure to share fully in the general prosperity after 1922: wartime and postwar overexpansion of acreage; the loss of most of the European market due to a nationalistic policy of self-sufficiency in Germany, France, and Italy; the change in the American diet from cereals to meals balanced with more milk, butter, vegetables, and fruits (because of increased prosperity and because mechanization had reduced the number of manual laborers, who would normally consume much more); and the burden of carrying heavy farm mort-

gages. In addition, mechanization made farming a costly occupation requiring much more capital than the small farmer was likely to raise; like the small industrial producer competing with a large efficient plant, the small farmer often gave up the unequal struggle. However, the fact that the farm was his home as well as a place of business made him reluctant to leave for the city.

Despite the general prosperity the consumption of food did not respond in as elastic a fashion as did that of other commodities. One outward symptom of the farmer's plight was a general drop in land values. Farm population, reflecting a rapid country-to-city movement, fell off by at least 1,200,000, especially from the worn lands of New England. During 1919-1924, about thirteen million acres were withdrawn from cultivation. The farmer's share of the national income fell from 16 percent in 1919 to 8.8 percent in 1929, and innumerable small farmers who raised wheat, corn, and cotton welcomed farm tenancy as a release from pressing obligations. All this was reflected in a renewal of farm insurgency in the politics of the 1920's.

Mechanization and increased farm productivity were the results of fresh technological advances. Gasoline-driven tractors, trucks, and automobiles replaced horsepower. Scientific animal breeding and poultry raising, better seed varieties, and other innovations increased output many-fold. Such progress raised the purchasing power of the city man and enriched those farmers who had the capital and efficiency to adjust themselves to the new conditions of commercial farming. Huge mechanized wheat farms in the Red River valley were factories on the land operated by corporations or individually wealthy men. Wisconsin dairy farmers prospered, tapping the urban markets as far away as the Atlantic seaboard. With the advent of prohibition, ice cream (and soft drinks) became a mighty industry, although it is difficult to believe that the consumers of ice cream and hard liquor were usually the same people. Truck farming and poultry raising boomed. The citrus fruit industry of California and Florida grew into multi-million-dollar enterprises through huge coöperative organizations. Best known was the California Fruit Growers' Exchange, whose members produced at the end of the decade 85 percent of the total citrus products of the state. The Exchange spent

about \$700,000 annually to advertise the various uses of their citrus fruits and made the label "Sunkist" as well known as the most everyday articles of life.

North Carolina tobacco planters profited not only from improved methods but also from a rapidly expanding cigarette market—thanks to the growing habit of smoking among women. Their output multiplied nine times in value. Livestock producers cut their marketing costs through large producers' coöperatives. While southern farmers were slow to adopt coöperative purchasing of supplies and marketing, northern farmers embarked on many such ventures.

Life on the farm was of course a far different experience for the prosperous farm owner from what it was for the down-at-the-heels southern sharecropper, but most classes benefited from the new conveniences. The advent of the inexpensive radio set of the "crystal" and battery-run types reduced rural isolation. By the end of 1929, at least 38 percent of all farmers had a telephone. Modern plumbing was still too expensive for most farmers because of the high cost of installation, and the use of home appliances was hampered by the fact that electrical companies regarded rural electrification with its service to scattered users as too expensive to be practical. Still, the automobile, the multiplication of good roads, and rural free delivery became a common heritage which permitted freer movement, recreation, communication, and consolidated schools, and of course helped greatly in earning a livelihood.

Immigration: The National Origins Act

The expanding economy and the consequent labor shortage did not prevent labor and nationalist groups from urging a permanent policy of immigration restriction. Unions continued to be oppressed by the fear that a horde of cheap labor would descend upon the country; even employers voiced the opinion that the immigrants were responsible for dangerous radicalism and disregarded the fact that their own self-interest required cheap labor. Chauvinists urged stronger barriers against southern and eastern Europeans. All were dissatisfied with the act of 1921, which had been intended as a stop-gap measure. This law allotted to each nation (except for certain nonquota countries, largely in this hemisphere) a quota of 3 percent of its countrymen who had been residents of the United States in

1910. But the calculations of the sponsors had misfired. Total immigration had climbed to over 700,000 in 1923-1924; and the favored "Nordic" countries had used only half their quotas while the others had absorbed practically all of the quotas allowed them.

The Immigration Act of 1924 contained two distinct plans: One was for the immediate future until 1927 (later extended to 1929), and a second, a "national origins" system, was to operate thereafter. In writing the first plan, the nationalists insisted that 1890, the census year before immigration from southern and eastern Europe became heavy, be used as the quota basis in order to restrict the number of Slavs, Italians, Greeks, and Jews. As a concession to labor, the quota for each country was cut from 3 percent to 2. Exemption from quota restrictions was granted to Canadians, Latin-Americans, and other residents of this hemisphere. For political reasons, as will be noted elsewhere, the Japanese were singled out for total exclusion, even deprived of the token quota of 100 immigrants permitted other nations. The act of 1924 also restricted immigration by requiring visas of prospective immigrants. These had to be secured from American consuls abroad by a complicated clearance procedure requiring many documents as evidence. Such restrictions were tightened still further when the depression began and President Hoover instructed consuls in 1930 to enforce strictly the rule excluding "persons likely to become a public charge."

Most significant was the "national origins" clause that went into effect in 1929. This replaced the 1924 quota basis by a new rule that each eligible country be permitted a quota based on "that proportion of 150,000 which the number of a given national origin residing in the United States in 1920 bears to the country's total population in 1920." Thus Congress thrust upon the administration the puzzling genealogical task of determining the ancestry of present-day Americans. The final result was that the northern European countries, where there was relatively little population pressure, received 82 percent of the total immigration quota. Since they usually left their quotas unfilled, much of the unused portion went to waste as far as the overpopulated countries were concerned.

If labor expected to benefit from the law, its hopes were quickly dissipated, for hundreds of thousands of Mexicans, Canadians, and French-Canadians, all nonquota people, crossed the border into this

country. A large but undetermined number of European immigrants entered illegally. Puerto Ricans hurried into New York City to meet the labor shortage, and Filipinos came in sufficient numbers to California to make that race-conscious state uncomfortable.

The results were tragic for the immigrants from southern and eastern Europe. Families were separated, and desperate attempts to enter the United States, illegally if need be, brought the total number of deportations to a new high. Jane Addams at the Hull House Settlement noted the pathetic feeling of rejection among the children of alien parents in school. When Chicago's buffoon-like mayor, William Hale Thompson, opened a well-publicized campaign against pro-English textbooks in history and offered to "punch King George on the snoot," he not only garnered Irish and German votes, as he had anticipated, but also became the champion of the Slavs, Greeks, Italians, Negroes, and other minority groups against the Anglo-Saxons' flamboyant theories of racial superiority.

The Advance of the Negro

The prevalent prosperity inevitably improved the economic and social status of the Negro. Immigration restriction meant a labor shortage that beckoned to the Negro to move northward to a multitude of new jobs in the lumbering and tobacco industries, in garages and filling stations, and in the large factories, especially in automobile construction, metal work, and meat packing. Open-shop employers welcomed Negroes. The federal government practically doubled their number in civil service during the decade.

Moving north meant that the Negro gained in political power and had more to say regarding what was good for him. Chicago Negroes proved strong enough to elect a Negro Congressman, Oscar de Priest, who championed his people's cause in Washington. Harlem grew into a vigorous New York colored community with substantial political strength. Segregation prevailed, although Negro businessmen sought to turn this to their advantage by establishing their own banking, insurance, personal service, and retail store enterprises.

The growth of a Negro middle class was not limited to businessmen. Harlem witnessed a promising growth of an intelligentsia of poets, essayists, and journalists. In the forefront of American popular music were innumerable jazz bands with original syncopated

lunes that had developed in New Orleans, St. Louis, Chicago, and New York. Negro education made spectacular advances under the younger disciples of Booker T. Washington and W. E. B. Du Bois; high-school and college enrollments multiplied. The South built more high schools for Negroes during this decade than during her entire past. By 1929 there were some fifteen thousand Negro college graduates, of whom forty were doctors of philosophy, sixty-five were members of the scholarly fraternity Phi Beta Kappa, and at least one was a Rhodes scholar. The avalanche of books sympathetic to the Negro testified to a marked improvement in race relations.

Especially encouraging was the rapid decline of lynching. According to Tuskegee Institute, there were seventy-six lynchings in 1919, "the Red Summer" of intolerance. The number dropped to sixteen in 1924, despite the resurgence of the Klan, and to seven in 1929. Furthermore, more southern police officials showed a determination to punish lynchers and to protect prisoners from mob attacks. But, on the other hand, a federal antilynching bill was killed by a Senate filibuster after passing in the House.

More revealing of the influence of racialists during the twenties than of any permanent trend backward was the wave of "racial integrity" laws which swept twenty-nine states, mostly in the South. These laws forbade marriage between Negroes and whites and defined the proportion of Negro blood necessary to qualify as a member of the colored race. The custom of "passing" as a white had aroused the eugenics cultists to do something about it. The Richmond *New Leader* angered the racialists by pointing out that if these racial integrity laws had been enforced early enough, they would have classified as Negroes at least two Presidents, two Senators, an ambassador to France, three governors, five generals, and several members of the First Families of Virginia! This legislation suggests Hitler's Nuremberg racial laws of a decade later.

Population Trends and the Family

The population trend was downward (though not in absolute numbers) during this era, owing to urbanization, the decline of immigration, and the middle-class attitude toward large families. Although the 1930 census showed that population had grown from 105,700,000 to 122,700,000 within a decade, the rate of increase was

smaller by previous standards. Negroes, despite a heavy mortality rate, increased from 10,400,000 million to 11,800,000. In 1930, 2,400,000 Negroes were living in the North, the remainder in the South.

It was clear that the population was growing older as compared with previous periods in American history. During the twenties, the 45-64 age group expanded by one-fourth and the 65-74 age group increased by a third. This trend reflected an increased life expectancy from an average slightly above 51 years in 1919 to a new high of 59.09 in 1930. As a consequence, there was a greater public interest in old-age pensions and adult education. The number of children under five dropped sharply despite prosperity.

Migration to the city stepped up its tempo. In 1900, 60 percent of the people lived in rural communities; by 1930 less than 44 percent did so. The automobile-making states of the Great Lakes area showed a marked growth; and the real-estate oases of Florida and California expanded their population by 52 percent and 66 percent respectively.

Emancipated women, so bravely portrayed in Ibsen's *A Doll's House* during the eighties, were now a part of the new orthodoxy. Innumerable women went beyond stenography, teaching, nursing, and clerking to seek "careers" in the higher professions. Gadgets and other labor-saving devices reduced housework and led to the kitchenette with its delicatessen meals and to the small apartment. The relaxation of divorce laws and the current individualism helped to account for the fact that the number of divorces grew from less than 56,000 in 1900 to over 200,000 in 1928, a fourfold increase that far outstripped the population rate. The brief waiting period and easy grounds for divorce offered by Reno, Nevada, enabled that wide-open western town to offer a cheap and convivial substitute for the speedier but much more expensive Paris decree. Divorces in the United States were far more numerous than in other countries, a factor which added to the social mobility and, it has been suggested, the psychological insecurity of the American.

To the emancipated woman of the twenties the right to vote won by the Nineteenth Amendment seemed a matter of course. The agitation for American woman suffrage dated back to the days of Frances Wright and Lucretia Mott in the 1840's; in 1868, Wyoming Territory led a group of western states in enfranchising women. Na-

tion-wide suffrage lagged until August 18, 1920, when Tennessee became the thirty-sixth state to ratify the so-called Susan B. Anthony amendment, thus assuring its passage. Male critics sniffed at the small turnout of women at elections. Even in the election of 1924, when Robert La Follette's candidacy introduced real issues, only 35 percent of the qualified women voted as compared to 65 percent of the men.

Intelligent women made up in quality and drive for the indifference of their sisters. By the end of the decade, one lobby, the Women's Joint Congressional Committee, had put through 436 state and local laws on behalf of child welfare, education, social hygiene, and honest government. Women had been elected as governors, mayors, and legislators. Politicians quailed before the keen scrutiny of the leagues of women voters.

Social workers, notably Julia Lathrop of the federal Children's Bureau and Florence Kelley of the Consumers' League, who had gained their welfare experience with Jane Addams at Hull House, sponsored one of the few major social laws of the twenties. They agitated for years to persuade Congress to pass the Sheppard-Towner Act of 1921, which gave federal aid to the states to set up bureaus of child hygiene and prenatal centers that offered health instruction and care to mothers. England and New Zealand, leaders in social legislation, had already provided grants-in-aid for this purpose. Opponents charged that the Children's Bureau, the chief sponsor, was a radical group, that Mrs. Kelley, having married a Russian, was a Bolshevik, and that socialized medicine was the real aim of the bill. The law finally passed, albeit with a slender appropriation of \$1.24 million, but it proved sufficient to encourage at least forty-five states and Hawaii to undertake basic programs for maternity and child welfare and to provide special instruction to midwives, nurses, and physicians. The law was administered by the enthusiastic Children's Bureau, whose continued existence was one of the welfare gains of the progressive movement.

The influence of the Sheppard-Towner Act in reducing infant mortality was described by Florence Kelley in 1926: "Under its stimulus, public health nurses have been introduced in hundreds of counties where they had hardly been heard of. Clinics and classes for mothers and little children have been spread over backward states, many of

which, four years ago, had appallingly high death rates." But the act was permitted to expire in 1929. Opponents of the Hoover era urged states' rights for the demand that the federal government get out of this field. Only in 1935 with the passage of the comprehensive Social Security Act was the maternity and infancy program revived, this time on a more generous scale and once more under the control of the zealous Children's Bureau.

In 1922 women's organizations chalked up another victory in the Cable Act. This made the citizenship of women independent of the husbands' status. Thus women no longer lost their citizenship by marrying foreigners.

The First World War hastened the trend toward new moral standards. Adolescent precocity regarding sex characterized the era. "Accent on youth" became the dominant motif of this pleasure-loving generation. *Matrons were soon imitating the ways of the "flapper"*—cocktails, cigarettes, bobbed hair, short skirts, and all. The money spent for cosmetics and perfumes multiplied eightfold during 1914–1925.

Pointing out the increasing number of illicit unions, Judge Ben B. Lindsey of Denver caused a nation-wide controversy by proposing "companionate marriage," a plan that called for a preliminary trial period. The semiliterate imbibed the new standards through such channels as Bernarr McFadden's *True Story Magazine*, which had a circulation of almost two million in 1926; but the sophisticated preferred the sex theories propounded by Sigmund Freud, a Viennese doctor who became high priest of the easy elimination of inhibitions and repressions in sexual behavior.

Vainly the Customs Office, the Post Office Department, the police, and Will Hays' office in Hollywood strove to curb the new trend by means of censorship. Even as sophisticated a critic as George Jean Nathan bluntly labeled the plays then running in New York, Boston, and Chicago as "open-and-shut sex exhibits" and "anatomical clinics." In summing up the season of 1929 he observed, "Not a single clean play has enjoyed a really profitable engagement." The authors of popular books on sexual perversion received a "safe and certain revenue." But the untrained censors frequently blacklisted worth-while books and plays in their fumbling and overzealous attempts to eradicate "smut."

The School in an Era of Economic Expansion

Prosperity made possible a sensational increase in education, particularly in the secondary schools. Three percent of the nation's income, or almost \$3 billion, was expended for this purpose in 1928, making education the most expensive single activity of the American community, outside of waging war. A high-school education became almost universal during the decade, partly as a result of the new labor laws, which strained existing school facilities. The number of junior colleges at least tripled, and colleges and professional schools numbered over a thousand. The 532 doctor of philosophy degrees granted by graduate schools in 1920 had quadrupled by the end of the decade. This mushroom growth of Ph.D.'s brought a sharp criticism of graduate schools from the American Association of Colleges in 1929; it charged that college teachers were superficially trained in institutions which stressed formal and barren research. Adult education, especially Americanization courses, showed remarkable growth, as did also preschool or nursery-school education. Schools for the blind, the deaf, and the mentally defective increased greatly in number. Significantly, the crowded classroom of the 1920's reflected the declining influence on the individual of the traditional home and church environment; the weight of personality adjustment and vocational training was thrown upon the school.

Vocational training in the spirit of John Dewey's "learning by doing" gained momentum, spurred on by industry and government. The increase in high-school subjects from twenty-three in 1910 to forty-seven in 1928 occurred largely in home economics, manual training, machine shop, music, typewriting, and bookkeeping. Partly as the result of Dewey's influence in the elementary-school field, foreign languages in the grade schools were replaced by applied civics, industrial arts, and supervised play. Practical courses in commerce, applied arts and sciences, and law usurped the long-established place in the college curriculum held by classical studies. The federal government itself expanded the high-school and college curriculum by introducing Reserve Officers' Training Corps courses and generously subsidizing vocational education under the provisions of the Smith-Hughes Act of 1917.

Despite vociferous protests, sex education was included in high-

school and college curriculums, a move which was strongly supported by the American Social Hygiene Association and such religious groups as the YMCA and the Federal Council of Churches. The First World War helped to dissipate the traditional silence concerning venereal diseases and stimulated medical research in this field. Moreover, the writings of G. Stanley Hall and Havelock Ellis advocated frank scientific instruction in sex for adolescents.

The press of the 1920's waged bitter warfare on the evils in American schools and colleges. For example, in his book *The Goose Step* (1923) Upton Sinclair called attention—albeit with considerable exaggeration—to the close connection between education and capitalism as evidenced by heavy college endowments and the dismissal of liberal professors. But no one could dismiss as exaggerated the revelations of the Federal Trade Commission regarding the presence of utility lobby propaganda in certain textbooks that assailed government ownership and defended private utilities. Certain commerce professors at well-known colleges were shown to have been paid fees by the public utility lobby.

The current emphasis on commercial ideals relegated the teacher to a minor social status in the community. Few states protected instructors as far as academic tenure was concerned. Hysterically patriotic agencies, like New York's Lusk Committee, frequently deprived teachers of their civic right to criticize the social order or to express opinions on controversial subjects; thus, New York teachers were required to take a sweeping "loyalty" test which could be used as a legal weapon against unorthodox ideas. During the war the Chicago *Tribune*, under the slogan, "My Country, Right or Wrong," demanded the dismissal of every pacifist teacher. The prevalent theory that taxpayers had the right to decide what should be taught in schools supported by public funds made it possible to ban the teaching of evolution in several states and to prescribe the inculcation of approved nationalist principles in many more.

Religion: The Fundamentalist Crusade

The iconoclastic spirit of the twenties forced organized religion to the defensive, although church membership, it was claimed, continued to increase proportionately with the population. While Catholic and fundamentalist leaders stoutly condemned birth control,

other churches split on the issue. The large convention representing Lutheran youth that the International Walther League held in San Francisco in 1928 unanimously passed a resolution condemning "modernism, liberalism, evolution, and radicalism." The number of Catholics was adversely affected, for immigration restrictions cut down the number of Italian and Slav newcomers. Foreign missionary activities suffered from the rise of nationalism in Japan, China, and Turkey. The Japanese, in particular, replaced occidental clergymen by natives and nationalized the church.

Churches met the increasingly secular interests of their members by providing gymnasiums, game rooms, and athletic fields both to attract young people and—in keeping with Dewey's progressive ideas—to aid religious education through a beneficial environment. Religious funds poured into hospitals, colleges, orphanages, and charities in ever larger amounts. The sharp increase in the number of parochial schools inspired Klansmen and fundamentalists in Oregon to combine in initiating a measure designed to outlaw all such schools, but court action brought by Catholics and Lutherans nullified the law as interfering with parental control over a child's education. In this important case, *Pierce v. Society of the Sisters* (1925), the Supreme Court held that parochial schools did not interfere with the power of the state to regulate all schools. "The child is not the mere creature of the State," declared Justice McReynolds. "Those who nurture him . . . have the right . . . to prepare him for additional obligations." The Federal Council of the Churches of Christ in America, which embraced over twenty Protestant sects, displayed considerable militancy in campaigning against poor industrial conditions, race prejudice, and war; its role in the steel strike of 1919 has already been mentioned. Peter Odegard, a social scientist, considers it significant that in forty-one sermons delivered in New York City on September 22, 1929, the word "sin" was used only once.

One feature of the history of the church during this decade was the upsurge of conservative fundamentalism in the South and Middle West. This antiliberal wing of Protestantism emphasized "revealed fundamental religion" and the literal interpretation of the Bible, particularly in relation to the creation of man; it was vehement in its denunciation of the Darwinian theory of evolution. Neither instruction in the sciences nor secular interests were encouraged,

as a rule, in educational institutions dominated by fundamentalists. Teachers not only were required to accept the "five points" of fundamentalism but were severely restricted as to dancing, "going out," wearing short dresses, and pursuing any other activity which the church-school board regarded as unorthodox. To rid the public schools of the taint of evolution, the fundamentalists had by 1925 secured the passage of laws prohibiting the teaching of this subject in Arkansas, Florida, Oklahoma, Kentucky, and Tennessee, among others. William Jennings Bryan, now a resident of Florida and the outstanding lobbyist for all these activities, appeared before joint legislative sessions in various southern states to plead that the teaching of evolution be banned. In Miami he conducted the "largest Bible class in the world," and he entreated its two or three thousand students to manifest the faith traditionally shown by rural America against the inroads of modernism. So successful was he that fundamentalists came to regard him as their particular champion.

Both fundamentalists and their opponents seized eagerly upon a chance to test the constitutionality of Tennessee's law against the teaching of evolution. This chance was offered when John Thomas Scopes, a young biology instructor at Central High School in Dayton, Tennessee, deliberately gave himself up as a violator of the statute. Fundamentalists, eager to win a public victory for the "old-time religion," immediately retained Bryan to represent them. The liberals turned to Clarence Darrow, a frankly agnostic criminal lawyer of Chicago who had recently won nation-wide fame by his unusual defense of young Nathan Leopold, Jr., and Richard Loeb against charges of murdering Robert Franks.

In a celebrated trial before a jury composed almost exclusively of Baptist and Methodist farmers, Bryan and Darrow fought each other on the stand, practically ignoring Scopes. The press sent its best reporters to Dayton, inspiring the greatest fanfare of publicity in its history; as a result, the trial benefited newspaper revenue more than religion or science. Darrow, who considered Bryan a "jackass," asked him to name the date of the creation of the earth and to give a logical explanation for the story of Jonah and the whale and of Joshua and the sun; but Bryan, confident that religion itself was on trial, seldom lost his composure. "The purpose of this examination," he charged, "is to cast ridicule on everybody who believes in the Bible,"

whereupon Darrow shouted, "We think the purpose is preventing bigots and ignoramuses from controlling the education of the United States." Scopes, as expected, was convicted but was soon released at the instance of the prosecutor. The trial, however, ended tragically for Bryan, for, worn out by his strenuous efforts during the heat of a Tennessee July, the Great Commoner died a few days after adjournment, his lifetime of service stained by the buffoonish proceedings at the Dayton "monkey trial."

The Newspapers and the Tabloid Era

The press thrived on the sensationalism of the Leopold-Loeb murder case, the Dayton trial, and the Hall-Mills murder, giving these and other similar events an exaggerated emphasis for its readers. Hearst instructed his editors to "disregard, or cover perfunctorily, subjects which are merely important, but not interesting." Most papers gave feature articles, sports, crime, advertising, and business news the space once reserved for editorial opinion, local news, and politics; as the result, there were few papers like Adolph Ochs' *New York Times*, which still presented "all the news that's fit to print."

Various reasons account for the heightened commercialization of the press. The newspaper business in the twenties was a battle between giants, even more than it had been before the war. Smaller papers were gobbled up by the great chains; thus there were two thousand fewer papers in 1929 than in 1914, and some large cities were left without any morning newspapers. But million-dollar journalistic enterprises required greater caution and conservatism on the part of the publisher; he had to guard against any taint of radicalism and be more attentive to his advertisers' sensibilities. A Federal Trade Commission investigation of public utility propaganda revealed gross venality on the part of numerous newspapers in accepting what amounted to bribes in the form of advertising intended to convert critics to supporters. Although one editor, Ernest Gruening, pointed out that the majority of the papers in Klan territory were discreetly silent regarding the depredations of Klan members, there were exceptions; for example, the *Indianapolis Times* lost fifteen or twenty thousand readers by assailing the Klan, but it continued the campaign, regardless of cost, until the grip of the Klan was broken.

The Scripps-Howard chain of newspapers was undoubtedly a force for good, but like its contemporaries, even it had to make its editorial policies increasingly impersonal. A survival of a better day in intelligent personal journalism was William Allen White's Emporia (Kansas) *Gazette*. Some progress in covering foreign news was made, especially with the development of foreign correspondents during the war; but as a rule the proportion of foreign to domestic news scarcely exceeded 5 percent. The *Christian Science Monitor* of Boston was an important exception, for its foreign news dispatches were extensive and they proved invaluable to intelligent observers of world affairs. Perhaps our diplomacy during the twenties would not have been so bleakly isolationist if our press had given us adequate foreign news reports.

Millions of converts were won over to newspaper reading during this decade by the rise of tabloids, most of which purveyed unadulterated yellow journalism in compact form. When the McCormick-Patterson group discovered that the press had ignored one potential group of readers in New York City—the semiliterate who could easily be persuaded to read simple accounts about crime, sex, and publicity seekers presented mostly by means of pictures—they promptly founded the New York *Daily News*, a tabloid which attained great success. Not to be outdone, Hearst followed with the New York *Mirror*, and Bernarr McFadden with the *Graphic*; the latter outdid both the others in salacious journalism.

Bootlegging as a Vocation

The hedonist tendencies of the twenties ran sharply counter to the Eighteenth Amendment, ratified in January, 1920, which forbade the manufacture, transportation, or sale of intoxicating liquors. Still worse was the Volstead Act, which was passed immediately afterward to enforce the prohibition amendment, for it defined an intoxicating beverage as one that contained one-half of one percent alcohol and in addition it imposed severe penalties for violation. Thereafter, as evasion of the new law grew widespread, the sentiment for prohibition declined rapidly. Thus a poll of nearly two million people conducted in 1926 by the Newspaper Enterprise Association showed that only 19 percent favored the Volstead Act, 50 percent wanted it modified to permit the sale of light wines and beer, and 31 percent were

for repeal. Although he favored temperance by independent state and local action, Wilson vetoed the Volstead Act as too restrictive, but Congress passed it over his veto.

The social results of prohibition are obscured by controversy and by the dearth of trustworthy statistics. Rural America, on the whole, remained dry, but urban areas evaded the law, as witness the popularity of cocktail and beer parties and the countless "speakeasies" that sprang up almost overnight. Prohibition was particularly resented by beer-drinking Germans and wine-drinking Italians. The wealthy probably consumed as much liquor as ever, even if it was worse, but the poorer classes necessarily became comparatively dry. Bootlegging grew into a major enterprise which was closely integrated with smuggling and the illicit brewing business. Enforcement officials were able to halt rumrunning by larger vessels, but after 1925 it was taken up by small motorboats, especially in the Great Lakes. The officials seized hundreds of millions of dollars' worth of property, ranging from home-brew outfits to the rumrunners' launches and automobiles. Between 1920 and 1928, 135 persons were killed by federal officers and 55 of the latter lost their lives. A congressional committee reported in 1929 that three thousand bootleggers were active in the one city of Washington, D.C.

Gangsters in Chicago aspired to national leadership in the bootlegging business because of the city's strategic location near Canada and its undisputed control over the liquor supplies of the West and Northwest. The enormous potential profits led to gang wars and to desperate attempts at the wholesale bribery of local government officials for "protection." The obvious necessity of decentralizing the liquor business and the reversion to home methods of production made ambitious men compete bitterly in their effort to control as many stills as possible. "Hijackers" seized the liquor trucks of bootleggers, who could rely only on their own high-priced bodyguards or gangs for protection. Although consolidation methods, as Jane Addams observed, were ruthless and terroristic, they were not unlike the desperate methods adopted earlier in the Pennsylvania oil fields.

Legendary exploits were attributed to such bootleg kings as Al Capone, Dean O'Bannion, and the O'Donnells. Such events as the Valentine Day Massacre of 1929, in which seven men were lined up against the wall of a garage in Chicago and then shot down by ma-

chine-gun fire, were usually clear proof that rival gangs had been at work. The infamous six Genna brothers, originally from Sicily, eventually dominated much of the city's traffic in domestic alcohol by underselling all their competitors; they became millionaires, but three of them were slain in a gang war. Syndicates were formed by bootleggers to dictate prices within a specified territory; uncoöperative dealers were threatened with being "taken for a ride." A mushroom growth of roadhouses in "safe" outlying areas forced the older cabarets in the city to close, and the "alky cooks" on Chicago's West Side, especially along the dilapidated river front, experienced new prosperity.

Prohibition furnished one of many opportunities for criminals, but here again the statistics are incomplete. Newspapers repeatedly asserted that a "crime wave" was in progress, but the accuracy of this description was effectively disputed by Professor George W. Kirchwey of Columbia University, a noted criminologist. Prohibition and traffic violations, many of them for drunken driving, did swell the totals for minor offenses, but the available evidence did not indicate any sharply accelerated increase in the activities of professional criminals. Nor did many criminologists accept the popular theory which attributed the so-called "crime wave" to the confusion resulting from the prevalent multiplicity of laws. But new types of crime did arise—for example, the "rackets" that permeated numerous service trades in Chicago, especially during the "open-town" era while Thompson was mayor. Cleaners and dyers, teamsters, and painters were bombed for failing to pay tribute—or protection, as it was more politely called—to racketeers.

The bandits of the twenties drove high-powered motorcars and fought with automatic guns, sometimes with machine guns. To fight them, the police were organized into well-armed squads which used armored cars equipped with radio communication devices and provided with tear-gas bombs. Federal officials were increasingly drawn into the fight as the automobile made crimes like kidnaping interstate offenses. Coöperation between local and federal officials increased, especially as regards fingerprinting. But too little was done in the way of prison reform. The unscientific methods and overcrowded conditions characteristic of our prisons led to the great prison riots of 1929, in which a score of men were killed and prison

property suffered heavy damage. This was, at least in part, a protest against the dark, ill-ventilated cells, the practice of handcuffing prisoners to walls and floors, the brutal lashing of inmates, and the "sweatboxes" for troublemakers.

The Movies: Era of Cecil B. De Mille

By 1930, movies had become so deeply embedded in American life that between 85,000,000 and 100,000,000 people were attending local theaters weekly and paying over \$1.5 billion annually in admissions. The period of World War I marked the transformation of the motion picture from a spectacle intended for the poorer classes into a leading form of middle-class entertainment. Although Hollywood could on occasion produce great films that surpassed the best stage plays, it was involved too deeply in mammoth investments—almost \$2 billion worth—to be able to disregard the cultural tastes of the least critical groups among its world-wide audiences. Since nine-tenths of all the movies originated in Hollywood, this caution led to so many cocktail and gangster movies that foreigners were given a grossly distorted idea of life in the United States. Of necessity, whatever incipient progressivism the prewar film had shown was discarded in favor of escapist themes and the individualist attitudes so popular in the 1920's.

Mergers snuffed out independents and led to such powerful combinations of producers, distributors, and exhibitors as Paramount, Metro-Goldwyn-Mayer, and First National, that controlled some 20,000 theaters in 1927. Warner Brothers surmounted its financial crisis that same year by introducing the first feature-length "talkie" in *The Jazz Singer*. Elaborate theaters sprang up everywhere. Producers spent an average of well over \$100,000 on a picture; *Ben Hur*, the most expensive of all, cost \$6 million, according to *Variety*. Movie salaries reached fabulous proportions; in two years William S. Hart earned \$900,000 as the star in cowboy films. However, thousands of musicians in small theaters were driven from their jobs by the advent of sound motion pictures, and many stars of the "silent" screen were unable to meet the voice requirements of sound films. To formulate a common business code and to counter a rising demand for federal censorship, the movie magnates introduced self-regulation in 1922 through the Motion Picture Producers and Distributors of America,

Inc., and chose Harding's Postmaster General, Will H. Hays, to head it. Hays, who had had considerable political experience as chairman of the Republican National Committee, turned these talents effectively to his exacting task in public relations.

The sophistication of the 1920's was faithfully mirrored in the films. Lewis Jacobs' excellent analysis, *The Rise of the American Film*, reveals the determining influence exercised by the director, Cecil B. De Mille, over postwar motion pictures. De Mille capitalized on the fact that even the poor reveled in seeing films showing luxurious boudoirs, upper-class manners and fine clothes, and "super-colossal" spectacles. The average audience, he knew, was attracted by sex motifs and sensationalism, and he furnished these qualities in generous measure. The vogue spread, bringing the sophistication of Greenwich Village to the entire country. Clara Bow, famed as the "it" girl of the film versions of Elinor Glyn's novels, became the symbol of "flaming youth" and "sex appeal" (conveniently abbreviated as S.A.). Rudolph Valentino's torrid love scenes, especially in *The Sheik*, made him the idol of countless women; his sudden death brought mobs of these admirers to the undertaking parlor where his body lay in state.

The New Emphasis on Sport

Recreation was too integral a part of the twenties to be considered incidental. Stuart Chase has estimated that perhaps one-fourth of our national income was spent for this purpose. College football receipts (as reported by sixty-five institutions) gained eightfold and the attendance at games more than doubled. In 1927 alone, some thirty million people paid \$50 million for admission; this bore out the statement that we had become a "nation of spectators." The publicity technique of the twenties quickly made national heroes of such players as Red Grange of the University of Illinois. Colleges gladly went into debt, even to the point of starving the regular academic departments, in order to build magnificent stadiums. So successful was the commercialization of college football that it retarded the development of professional football despite the latter's advantage of long-tested gridiron stars.

Professional baseball continued to enjoy a huge following that was attracted by such players as George Herman (Babe) Ruth of the

New York Yankees, who hit sixty home runs in 1927. The World Series continued as always to fill the ball parks to capacity, but attendance at the regular season's games was only moderate, except in the case of games which promised to be unusually close and thus brought out otherwise indifferent spectators. Moreover, other sports and amusements competed strongly with professional baseball for public attention. Thus the total attendance at the major league games in 1920 was 9,134,000, but in 1929 it showed an increase of less than half a million.

Prize fighting enjoyed tremendous popularity under the arch-promoter George (Tex) Rickard, who thoroughly understood the art of publicity. Boxing fans readily believed that the fight at Jersey City on July 2, 1921, between the "world's heavyweight champion," Jack Dempsey, and the French challenger, Georges Carpentier, was indeed the "Battle of the Century." That one spectacle brought gate receipts of \$1,118,603. But the all-time peak of general interest was reached in the Dempsey-Tunney match on September 22, 1927, in Chicago, in which Dempsey, the ex-champion and challenger, strove desperately but unsuccessfully to recover his crown. The crowd paid \$2,-658,660 to see the ten rounds that this fight lasted. However, Gene Tunney as champion was unable to gain the popularity accorded to Dempsey—for one thing, he was reputed to be a highbrow and to admire Shakespeare—and his voluntary retirement was unlamented.

The extraordinary popularity of golf during the decade, despite its "dude" background and the expensive equipment required, testified to the patronage of innumerable business and professional men. The twenties were a period of the rapid construction, in almost every corner of the nation, of municipal and private golf courses whose value amounted to approximately \$850 million. The golf equipment manufactured in 1929 alone was valued at more than \$21 million, representing well over a third of the value of all sporting goods. Private clubs dominated the golf courses; clubhouses were elaborate and membership fees high.

Tennis, like golf, was extraordinarily popular, with an estimated 1,200,000 players using courts in the public parks alone. Winter sports, stimulated by the spectacular rise in the tourist traffic, likewise flourished, especially in New England and the great national parks along the Pacific coast. The older types of commercial amuse-

ments—cabarets, small dance halls, amusement parks, and poolrooms—declined in importance in favor of roadhouses, elaborate public ballrooms, and bowling alleys, the latter patronized by women as well as men.

Elevating Ragtime to Jazz

Popular dancing was vulgarized by the vogue for syncopated acrobatics like the Charleston and the black bottom, and was dominated by jazz, the sophisticated successor of ragtime. The new dances, with their eccentric syncopation and their intimate embrace, quickly gained popularity; "dance marathons," some of which lasted for days, were held in the larger dance halls. Urban night clubs offered sophisticated entertainment and liquor—the latter in defiance of the Volstead Act—at fabulous prices. Youth idolized Rudy Vallee, the sentimental crooner from Maine. No song was too extravagant to attain nation-wide popularity, as witness "Show Me the Way to Go Home" and "Makin' Whoopee," greatly enjoyed by imbibers during this decade, and "Yes! We Have No Bananas," "Crazy Over Horses," and "Collegiate!" The saxophone's grotesque improvisations of a jazz version of Schumann's "Träumerei" probably captured the youthful mood of this period better than did the more restrained art.

Chapter 12

THE TWENTIES: CULT OF INDIVIDUALISM

The Assault upon Reason

Prosperity brought forth wealthy patrons and comfortable citizens ready to subsidize the arts and the citadels of learning, but the cultural flavor of the twenties was imparted by small Bohemian bands of rebels in art and literature such as H. L. Mencken's sophisticated smart set and Manhattan's eccentric Greenwich Village. They made a cult of "decadent" individualism, flouted puritanism in sex, ridiculed the "herd" and democracy, and affected to doubt that life had any meaning. Much more important, though not given to assuming postures, were those geniuses of international stature whose thinking made it possible for the twenties to escape futility—John Dewey in education and philosophy, Eugene O'Neill in the drama, Frank Lloyd Wright in architecture, T. S. Eliot in poetry, Franz Boas in anthropology, and Albert Michelson in science.

On both sides of the Atlantic the pendulum swung back from pre-war progressivism which had emphasized the welfare of the group to an era of economic conservatism in which the individual was the hero. The new preoccupation with self gave wide interest to the study of psychology while hedonism replaced idealism among a pleasure-loving generation. There was every temptation to minimize the role of reason in human affairs. James Harvey Robinson, writing a highly plausible best seller, *The Mind in the Making* (1921), popularized the belief that men usually substituted "rationalizations" for reason—that they usually gave self-flattering "reasonable" explana-

tions as their motives while concealing from themselves their true motives, which were often irrational. Perhaps no greater assault upon the bastion of reason, however unintentional, was the vulgarization of the teachings of Sigmund Freud. Although this Viennese doctor sought only to stabilize human reason by analyzing the primary role of sex and irrational fears in man, his popularizers cast doubt upon whether man was a rational animal at all.

It would be a serious error to think of the sophistication of the twenties only as an outgrowth of postwar disillusionment. Freudianism was well known in the United States before 1910. Literary naturalism, which treated man as if he were a clinical subject, had long had a vogue. The affectation known as "decadence," which was obsessed with the idea that decay was the inevitable fact in life, had roots in nineteenth-century France and in its "dadaists," who made a cult of futility and unintelligibility. From the yellow nineties of Oscar Wilde and James Whistler had emerged the "pure aestheticism" of the "art for art's sake" pose which rejected social significance. To these devotees not only was it unnecessary for the artist or writer to teach a lesson, to point a moral, or to tell a story, but he could even dispense with the trouble of being intelligible.

In academic circles the attack on reason derived comfort from the pragmatists, who rejected natural law and fixed principles, choosing to regard as truth only that which met the test of their experience. "Scientific" historians showed a similar disdain for abstractions; they were convinced that collecting facts required no philosophic apparatus. Rationalists and many churchmen were agreed in calling this trend "anti-intellectual" and singled out as the chief offenders Nietzsche, Oswald Spengler, William James, and John Dewey. "Despite the frequent assertion that ours is the age of science," wrote the rationalist philosopher, Morris R. Cohen, "we are witnessing today a remarkably widespread decline of the prestige of intellect and reason." While it would seem unfair to include such profound minds as James and Dewey among the guilty, the antipragmatists blamed the two for the current decline in the interest in metaphysics.

The Novel of the Lost Generation

Literary expatriates like Henry James (who died in 1916), Ezra Pound, T. S. Eliot, and Ernest Hemingway had fled the United

States as a cultural desert and sought refuge from the "philistines" by living in England, France, and Italy. "You are all a lost generation," Gertrude Stein once told Hemingway in Paris, and this phrase, "the lost generation," was quickly taken up to depict the plight of those artists stranded between two worlds, one dead and the other powerless to be born. Hemingway had been wounded while fighting alongside the Italian shock troops, the *Arditi*, and was decorated for valor. In his largely autobiographic novel, *Farewell to Arms* (1929), he told of his disillusioning war experiences, especially of the tragic flight from Caporetto when the Italian officers shot down their own men in a vain effort to stop the retreat.

Another idealist who turned cynic after the war was John Dos Passos of Chicago, son of a well-to-do family and one of the "Harvard aesthetes" who had penned poems attacking the blight of the machine upon civilization. Out of his war experiences came his novel *Three Soldiers* (1921), though he wrote a much more craftsmanlike work later in *Manhattan Transfer* (1925). This impressionistic novel of modern New York made the individual characters appear helplessly caught in the meaningless repetition of life in a metropolis dominated by the machine and Mammon.

Few of the lost generation expatriates took the measure of the twenties as acutely as F. Scott Fitzgerald of St. Paul. In *This Side of Paradise* (1920) he novelized the jazz age, the "flapper," and the sophisticated patter of the collegian. A much better book of this age was *The Great Gatsby* (1925), which centered about the life of a wealthy bootlegger whose ethics contrasted favorably with that of his more "respectable" but crudely hedonistic friends.

Another Minnesota-born novelist was Sinclair Lewis, a satiric rebel who carried the struggle waged by urban individualism against social conformity and smug "philistinism" to a new battlefield in *Main Street* (1920), a cruel portrait of the small town and its revered native traditions. This story of Gopher Prairie, Minnesota, a town of three thousand people, was a severe indictment of its hypocrisy, cultural intolerance, and parasitic relation to the nearby farmers. The Gopher Prairies, Lewis feared, would establish the cultural tone of the nation.

Not content with this attack, Lewis next turned to the Kiwanis type of small-town "booster," whom he satirized in *Babbitt* (1922), a

portrayal of the complacency and intellectual poverty of the commercial classes who reveled in their materialism. Thereafter the term "Babbitry" was widely used to denote the smugness of middle-class respectability. In *Elmer Gantry* (1927) Lewis offended more than the usual number of people by bitterly satirizing the "booster spirit" in evangelical religion in the person of a sensual and ignorant minister. Critics considered that this picture of religion as a business was more than a little overdone and, moreover, that it was weak from the literary point of view. *Arrowsmith* (1925) was obviously written with greater care and was much more popular. This novel portrayed only incidentally the commercialism that invaded medicine; it was primarily concerned with the lifelong pursuit of truth on the part of Martin Arrowsmith, an idealistic medical student.

Although tainted somewhat in the minds of the intelligentsia with the much-loathed "genteel tradition," Willa Cather, Edith Wharton, and Ellen Glasgow continued to have a large following among discriminating readers. In *Death Comes for the Archbishop* (1927), a story of the tolerant French missionaries of New Mexico in the mid-nineteenth century, Miss Cather combined realism and a persistent love of diverse frontier and alien cultures. Ellen Glasgow, faithful to her prewar southern realism, wrote *Barren Ground* (1925), an account of the struggle of small independent farmers in southern Virginia against a difficult natural environment. Most grimly realistic, perhaps, of the agrarian novelists of the twenties was the Norwegian-born Ole Edvart Rølvaag of Minnesota, whose *Giants in the Earth* (1929) Parrington considered to be of epic proportions and to suggest the frontier realism of Hamlin Garland. Rølvaag reflected the intense psychological interest of the twenties in this description of the disintegration of a pioneer woman's mind as the result of the overwhelming loneliness and power of a harsh, unconquered frontier.

For those who indiscriminately put aside all the new realistic novels as "morbid," there was always escape in Booth Tarkington's novels of comfortable middle-class life in Indiana; his *The Magnificent Ambersons* (1918) was awarded the Pulitzer Prize as the novel representing "the highest standard of American manners and manhood." A mystery thriller like Mary Roberts Rinehart's *The Red Lamp* (1925) sold over a million copies the first year; Mrs. E. M. Hull's *The Sheikh*, which was particularly attractive to romantic

adolescents, did almost as well, especially after Rudolph Valentino, the handsome movie idol, appeared in a motion-picture version. Extremely popular on a much higher level was the work of Edna Ferber, whose stirring novels *So Big* (1925), *Show Boat* (1926), and *Cimarron* (1929), suggesting Bret Harte and O'Henry, were made into stage plays and motion pictures.

Although few of these novelists failed to experiment with the short story, which was enjoying an ever-increasing vogue, one writer, Sherwood Anderson of Ohio, became outstanding in this field. His *Winesburg, Ohio* (1919), a story of small-town life in Ohio, was a series of sketches which departed from the sex conventions of the American short story. Borrowing heavily from the new psychoanalytic literature, Anderson dismayed academic critics by portraying the town's warped personalities in all their naked abnormalities, ranging from a Peeping Tom minister to a homosexual villager.

Drama and Poetry During the Era of O'Neill

Contemporary drama likewise reflected the psychological emphasis of the novelists and short-story writers. Furthermore, the stage provided an admirable vehicle for a serious treatment of the Negro in line with the spirit of greater tolerance. Thus Eugene O'Neill, the most creative playwright in American drama, achieved notable success in his interpretation of primitive Negro psychology in *Emperor Jones* (1920), a play that depicted the mental collapse of a Negro dictator fleeing as much from his own fears as from actual pursuit by his subjects. Most ambitious of O'Neill's attempts at psychoanalysis in drama was *Strange Interlude* (1928), a nine-act play which resorted freely to the "aside" so that the four leading characters could express their inner thoughts. Especially sympathetic to the Negro was Paul Green, whose play *In Abraham's Bosom* (1926) gave an honest and frank picture of Negro life in the South. In striking contrast with these plays, the motion pictures continued to use Al Jolson's well-worn stereotype of the Negro minstrel.

Naturalism in all its unadorned starkness of theme and language appeared on the stage in *What Price Glory?* (1924), written by Maxwell Anderson and Lawrence Stallings. The postwar disillusionment, especially with life at the front, that was clearly mirrored in the play represented the American equivalent of the popular German pacifist

novel, *All Quiet on the Western Front*. Some of the outstanding playwrights like Eugene O'Neill were given an opportunity to experiment with new themes by the little-theater movement. Although George Jean Nathan grumbled that its numerous profitable ventures had commercialized this movement, it was the solvency of such groups as the New York Theatre Guild that made it possible to bring the best of European plays to America and to raise the level of popular taste. Colleges also became increasingly important as sponsors of amateur dramatics of a high order.

Seldom was the stage so captivating as during the 1920's. Walter Hampden, a scholarly actor and producer of New York who had achieved great success on the London stage, drew warm praise for his original and profound interpretation of Hamlet. In the complex title role of Edmond Rostand's *Cyrano de Bergerac* Hampden caught the bluster and romanticism of the sentimental Gascon soldier-poet. Katharine Cornell, whose superb poise and distinctive manner attracted a large following, scored one of her greatest successes in *A Bill of Divorcement* (1923), a psychological play that suggested the fatalism of Ibsen's *Ghosts*. In the unique couple, Alfred Lunt and Lynn Fontanne, the Theatre Guild possessed an effective combination of actors who seemed to live the roles they assumed. Another outstanding stage figure was the energetic Eva Le Gallienne, born in London of a famous theatrical family. Rebelling against the monotony of playing the same part over and over for months or even years, she took the bold course in 1926 of organizing the Civic Repertory Theatre in New York, which changed bills every night. This theater reflected the owner's fondness for the plays of Ibsen and Chekhov.

As one might expect, the twenties fulfilled the promise of the prewar revival in American poetry. The expression of Walt Whitman's challenging sensualistic spirit, if not his robust democratic faith, could be appreciated anew. From T. S. Eliot, who had been influenced by the aristocratic aestheticism of Ezra Pound, came the overpowering *The Waste Land* (1922), which depicted the spiritual drought of his day and won extraordinary acclaim as the greatest poem of the century. The sardonic humor of Edwin Arlington Robinson of Maine expressed the strong fatalistic strain of his literary confreres and, according to the critic Fred B. Millett, revealed "the

fading glories and backwater neuroses of New England in decline." From Maine also came Edna St. Vincent Millay, whose love sonnets appeared in a Bohemian setting of frank feminine sensuality; her poem *The Harp Weaver* (1923) won the Pulitzer Prize. More definitely in the new psychoanalytic mold was Robinson Jeffers, whose *Tamar and Other Poems* (1924) is exotic, violent, and colorful. In its expression of spiritual decay, sex frustration, and introspection, his poetry impressed his followers as powerful in content and interpretative in quality.

Poetry, too, proved to be an ideal vehicle for the emotional expression of the rising Negro intelligentsia, especially in Harlem; their poems filled a significant anthology compiled by James Weldon Johnson, *The Book of American Negro Poetry* (1922). Johnson, an able scholar and a cultural pioneer who contended that the Negro's artistic expression represented the true indigenous American spirit, felt intimately the religious psychology of his people. Certain poets, like New York's Countee Cullen, wrote in the style of Tennyson and Keats, but Cullen, like others of his race, found the tragedy of the Negro in a white man's world his most compelling theme. Claude McKay, best known for his sophisticated *Harlem Shadows* (1922), tended more to the leftist tradition of proletarian literature. These writers reflected a growing race consciousness that was sometimes expressed in ill-concealed bitterness. Many Negro poets adopted the free verse and the sensual interpretation of life characteristic of the 1920's.

Criticism: The Age of H. L. Mencken

The *Zeitgeist* was particularly favorable to literary criticism because self-consciousness marked this period. Young novelists, poets, and dramatists, for all their assumed indifference, hoped for a friendly nod from the inner sanctum of the *American Mercury*, dominated by the turbulent Henry L. Mencken of Baltimore. Confident that he and his fellow intellectuals were among the elect chosen to create all art and civilization, Mencken popularized the aristocratic game of ridiculing the "mob," the "Boobus Americanus," and the "Bible-belt Fundamentalists." Absolute truth and progress were illusions; hence there remained only the superior man's privilege of laughing at the antics of the herd. Mencken's works, *A Book of Prefaces* (1917) and

several volumes of *Prejudices* (1919-1927), expressed this comfortable fatalistic philosophy. Doctrinaire novels were abhorrent to him, for his radicalism was confined only to the extremes to which his Nietzschean ideas of aristocracy led him. To the sophisticated intelligentsia of the twenties, Mencken was an admirable arbiter of the taste and literary achievement of America. More important, however, was the fact that his preoccupation with the American scene led him to produce a scholarly work of philology in *The American Language* (1919).

Far more solid was the literary criticism of Vernon L. Parrington, a professor of English at the University of Washington who achieved his reputation suddenly toward the end of the decade. In 1927 appeared his two-volume work, *Main Currents in American Thought*, which reinterpreted American letters in realistic socioeconomic terms and from a liberal agrarian point of view. Few if any of his predecessors possessed such a gift of integrating every phase of American life and placing our literary heritage in a context of contemporary social forces. Frankly more Marxist in thought were the critical essays by V. F. Calverton, who abhorred the "sophisticated futility" of his literary generation. Another extremely important liberal force in criticism was the *Nation*, the *New Republic*, and the *New Freeman*.

At the exotic level of literary criticism and philosophy was a small determined group of college professors, among them Irving Babbitt of Harvard and Paul Elmer More of Princeton, who called themselves "neo-humanists." Neo-humanism, they claimed, was the authentic successor of classical and Renaissance humanism; it decried the naturalism and utilitarian ideals of their own age in favor of the aristocratic ideal of a gentleman—"squirearchy" their opponents called it. Impatient with the intellectual anarchy, sensualism, and skepticism of the day, they advocated traditional moral values, lofty aestheticism, and an educational system founded on the idea of leisure rather than the current gospel of service.

Psychology, Queen of the Social Sciences

Contemporary literature was not alone in establishing the preeminence of psychology among the social sciences during the twenties, for few fields were untouched by its influence. Students eagerly enrolled in college courses on psychology in the hope of solving the

ever-pressing problem of the Ego and the Unconscious. Even people who had never been to college talked knowingly about inhibitions, repressions, inferiority complexes, and fixations and were familiar with all the jargon of psychoanalysis. There were few academic disciplines that did not boast of offering a "psychological approach." Case workers, personnel managers, teachers, advertisers—all steeped themselves directly or indirectly in the new psychology.

World War I afforded a proving ground for experimental psychology in this country, a branch which at the time had scarcely progressed beyond its apprenticeship to Wundt's laboratory techniques and the French and German mental test procedures. Armies of recruits appeared before trained psychologists who hoped by means of tests to put "the right man in the right place." In addition to making possible research on routine mental and personnel tests, the war afforded opportunities to study shell shock, rehabilitation, emotional stability, propaganda, military intelligence, acoustics, and a variety of other important subjects.

The intelligentsia were vastly amused by the early, and frequently exaggerated, implications of the Army mental tests as to the low mentality of the average man. (Mencken and his followers wore the theme threadbare as an argument against democracy.) Champions of Nordic supremacy, some of them psychologists, claimed, quite erroneously, that these tests proved the native inferiority of Negroes and southern Europeans. Despite this intellectual fog psychology emerged triumphantly during the twenties with practical tests of all kinds, ranging from those for college freshmen to those for commercial telegraphers and industrial workers. Although some enthusiastic psychologists made exaggerated claims for their tests, the fact remains that the line between mental tests and achievement tests was much more vague at the end of the decade than at the beginning.

Far more gratifying to believers in the influence of the environment upon the individual was the temporary flutter over behaviorism. The chief impetus came from the animal experiments of I. P. Pavlov, the Russian physiological psychologist whose famous experiments with a dog inspired the term "conditioned reflex" or, in its closely related form, "conditioned response." In these experiments a dog which had at first secreted saliva at the sight of food accompanied by a certain sound eventually reacted the same way to the sound

alone. This type of association became the basis of behaviorism, a school of psychology headed by Dr. John B. Watson. His *Psychology from the Standpoint of a Behaviorist*, which appeared in 1919, stirred psychologists and the lay public alike. Never, perhaps, did a scientist state the theory of environmental determinism in such positive terms as Watson, when he said: "Give me a dozen healthy infants, well-formed, and my own specified world to bring them up in and I'll guarantee to take any one at random and train him to become any type of specialist I might select—doctor, lawyer, artist, merchant, chief and, yes, even beggarman and thief, regardless of his habits, penchants, tendencies, abilities, vocations, and race of his ancestors." Not even Jefferson would have dared to state human equality so conclusively.

Discarding formal psychological terms, Watson taught that personality was merely the product of conditioning our "habit systems" along certain lines. "Instinctive behavior" was a fraud; in reality it was learned and therefore was capable of being unlearned. Here indeed was a cheerful view for the exponents of social control. (Incidentally, it was not inappropriate that in 1924 Dr. Watson became vice-president of one of the nation's leading advertising firms. The prospective consumer, presumably, could be "conditioned" to respond favorably to the products advertised by the firm.)

Another school of psychology appeared during the decade in the form of psychoanalysis; where behaviorists made one disciple, psychoanalysts won three or four. As a young neurologist in Vienna in the 1880's, Dr. Sigmund Freud began an intensive study of hysteria and came to conclusions which turned him toward psychology. Discarding medicine and hypnosis, the conventional treatment for neuroses at that time, Freud experimented with psychoanalysis, a method which emphasized the unconscious but important influence of sex motivations—the libido—on behavior from infancy through adulthood. Dreams provide release for repressed desires and therefore, when interpreted as symbols, serve as a clinical instrument for the psychoanalyst. Finally, in coöperation with the patient, the psychoanalyst uses mental associations to recall the event responsible for the abnormal behavior. By thus enabling the patient frankly to face the initial fact which he has unconsciously repressed, the psychoanalyst endeavors to restore mental equilibrium.

The possibilities of psychoanalysis were promoted by Freud's American disciple, Dr. A. A. Brill, and by the great psychiatrist, Dr. Adolph Meyer, who did much to transform our "insane asylums" into scientific "mental hospitals." Inevitably, charlatans who set themselves up as psychoanalysts preyed on susceptible wealthy women, a fact which led skeptics to jeer at Freud's revolutionary technique. Nevertheless, the potentialities in psychoanalysis have stimulated the mental hygiene movement as a whole. Rapid progress was made in modernizing mental hospitals, especially in New York, Massachusetts, and Illinois. More and more physicians were trained in the psychoanalytic technique, and social workers learned it in order to understand childhood abnormalities. This new interest in psychiatry after 1920 gave rise to the child guidance clinics which by 1928 were serving forty thousand children all over the nation.

Dewey, Pragmatism, and Progressive Education

William James had died in 1910 but his philosophy of pragmatism had a powerful advocate in John Dewey of Columbia; besides, the pragmatist's insistence on practical results rather than speculative absolute principles had its obvious expression in the triumph of technology. Lewis Mumford, a severe critic of the materialistic spirit that underlay the arts, blamed the pragmatists for giving philosophic sanction to the tendency of the multitude to make science and the machine supreme over the humane arts. Dewey emphatically rejected such distortions of his philosophy and reminded his critics that James himself had said that "the squalid cash interpretation put upon the word success is our national disease." To Dewey, pragmatism had nothing in common with commercialism but was an instrument with which to open an ever-developing world guided by experiment and directed by intelligence. It was completely alien from dogmatism and its child, intolerance, he said. Though it rejected the "sloppy idealism" which was lost in emotion it claimed to offer the best hope of discovering the highest values for mankind and the means of fulfilling them.

In educational theory Dewey's pragmatism (or "instrumentalism," as he called it) captured the leading university departments of pedagogy in the country. While "progressive education" had roots that went back to Rousseau and Pestalozzi, it took on a characteristic

American form under Dewey's teaching. His disciples, who were quite numerous around Chicago and New York City, taught that the personality of the pupil must develop naturally by direct participation in the learning process, by an appeal to experience and reason rather than by the compulsion exercised by the teacher. Painfully mechanical recitations must give way to spontaneous group discussions, field trips, library research, and meaningful projects related to real life.

Deweyism inspired the rapid growth of private progressive schools with rooms for all types of experimental activity—assembly rooms, shops, creative art rooms, dining rooms, among many others; movable furniture gave the classrooms an atmosphere of informality. Although parents grumbled at the “fads and frills” of progressive education, the necessary money was usually forthcoming in this prosperous era. The public schools, limited by small budgets which meant large classes, could scarcely adapt themselves completely to the Dewey methods, although some beginnings were made in that direction.

Dewey's influence swept the Soviet Union (until the authoritarians discovered that its democratic principles were not for them), China, Turkey, and, to a lesser extent, Germany. Latin-Americans frequently experimented with progressive education methods in their classes. The celebration of Dewey's seventieth birthday in 1930—he lived on productively until 1952—brought testimonials from world-famous educators that here indeed was a giant among us.

The Science of Society: Middletown and Racism

In sociology, the Yale disciples of the late William Graham Sumner spread his Darwinistic ideas of social evolution and competition to many college campuses. The economic conservatism of Sumner and Herbert Spencer, his master, was admirably suited for an era in which the cult of efficiency seemed to have made reform forever unnecessary. At Columbia, Robert S. and Helen M. Lynd achieved outstanding results in using a modified version of the social survey method to study an average American community, Muncie, Indiana. Their provocative book, *Middletown* (1929), deflated small-town life to a degree matched only by Sinclair Lewis in *Main Street* and *Babbitt*. One arresting chapter showed the pressures for social con-

formity that were brought by merchants, clergymen, and Klansmen against the freedom of the teacher.

At the University of Chicago, the importance of the metropolis led an entire school of "urban" sociologists to pioneer with an "ecological approach," using a term and a method borrowed from botany. This meant a study of social behavior as affected by the urban environment. Students of Robert Park and Ernest W. Burgess studied so-called "natural areas" and published books on such Chicago phenomena as the West Side ghetto, the West Madison Street "hobohemia," the North Side Gold Coast and slum, and the urban gang.

Anthropology too came of age when it shook off its alliance with sociology, despite the parallel nature of their investigations. There were many reasons for this upsurge of interest. For one thing the current controversy over Darwinism raised new questions regarding alleged racial differences and the cultural traits of primitive societies. Closely related to this was the controversy over our immigration policy in which those who favored the restriction of southern and eastern Europeans frequently resorted to the racist theories of Madison Grant's *The Passing of the Great Race* (1916) to prove the superiority of the Nordic (or Aryan) race. Another influence was Freudian psychology, which stimulated a renewed interest in primitive behavior, thus suggesting further problems for the anthropologist.

The ordinary citizen was only too likely to be impressed by Madison Grant's assumption that America's greatness rested upon the inherited traits of the fair, tall, long-headed Nordic race, whose numbers were declining in favor of the "insidious" southern European races. This myth of racial superiority was devastatingly examined by scientific anthropologists, notably Aleš Hrdlička of the National Museum at Washington and Professor Franz Boas of Columbia University. Hrdlička's study, *The Old Americans* (1925), revealed that the original colonists were mostly round-headed, medium in stature, and almost dark in complexion—scarcely the long-headed blond giant of the Nordic myth. Even more emphatic were Boas' conclusions in his *Anthropology and Modern Life* (1928): "Up to this time none of the mental tests gives us any insight into significant racial differences that might not be adequately explained by the effect of social experience." Race and culture, he demonstrated, were separate

entities. Thus, while German nationalists were eagerly imbibing the racial superiority theories of Houston S. Chamberlain and Count Arthur de Gobineau, American anthropologists fought the invasion of such corrosive ideas introduced by the disciples of the racialists.

What Dewey was to education, his colleague, Boas, was to anthropology. Boas wrote for the layman as well as the specialist; he stressed the practical importance of his subject for social workers, teachers, public health officials, physicians, legislators, and above all, the average citizen seeking enlightenment on race, nationalism, immigration, and other civic problems. His early career in the natural sciences convinced him of the value of actual field studies as against second-hand library research. In line with this belief Boas conducted many anthropological expeditions to study the languages, traits, and tribal organization of the Indian cultures in Alaska and elsewhere in North America. To have been a student of Boas at Columbia became almost a necessary distinction for the aspiring young anthropologist.

Trends in Politics, Law, and Economics

The psychological approach came to dominate political science in the form of countless studies on public opinion, propaganda, pressure groups, and civic training. The First World War gave rise to a profound curiosity regarding the workings of propaganda and censorship. At the University of Chicago Harold D. Lasswell leaned heavily upon Freud in his *Propaganda Technique in the World War* (1927) and especially so in his *Psychopathology and Politics* (1930). A productive group of scholars followed Lasswell's fertile suggestions. At the same institution Charles Merriam and other political scientists issued a number of propaganda studies which analyzed the techniques used by a nation in developing civic loyalty; separate books dealt with the Soviet Union, Mussolini's Italy, and the democratic states.

One of the most thoughtful studies on propaganda that was written for intelligent laymen was Walter Lippmann's *Public Opinion* (1922). His striking chapter on "stereotypes" gave vogue to a new term for irrational responses. Stereotypes were defined as hackneyed substitutes for genuine thinking in which the individual reacts to a situation by drawing upon his stock of fixed ideas, group bigotries, and uncritical loyalties.

Woodrow Wilson, himself a noted political scientist and historian, inspired many of his former colleagues with a greater interest in international organization, international law, diplomacy, and public administration. The latter grew out of the prewar agitation for more experts in government. Wilson's point of view influenced political science by tempering the demand for realism by a moralistic, optimistic philosophy.

In the law schools and courts social jurisprudence gained slowly because of the conservative temper of the time, which was hostile to welfare legislation. Lawyers were absorbed by the new complexities inherent in the corporate form of business. The great exponents of the pragmatic philosophy in law, Holmes, Brandeis, and later Cardozo, were likely to be merely "great dissenters" in the leading labor and welfare cases. Dean Roscoe Pound, one of the leading writers upon sociological jurisprudence, apparently left a deep influence upon a rising generation of Harvard-trained lawyers who were to serve the New Deal as exponents of his philosophy. The conservatives who believed that law was based upon immutable certainties used this idea to resist reformers who wished to infuse new meaning into the Constitution. Justice Benjamin N. Cardozo of New York, whom Hoover appointed to the Supreme Court, aroused the ire of conservatives when he published his book, *The Nature of the Judicial Process* (1922). In this he attacked the myth of the law's certainty by pointing out the broad discretion that a judge actually possesses.

Economists were both benefited and hampered by their intimate alliance with businessmen during this decade. On the one hand they advanced in the field of business forecasting and in the use of statistics in solving business problems; but on the other they tended to share the uncritical attitude of businessmen in the nature of the prosperity of the twenties. Textbooks echoed the optimism of such authorities as Professor Thomas Nixon Carver of Harvard, who wrote *The Present Economic Revolution in the United States* in 1925 and popularized for a few years the idea that the economy had become thoroughly democratized by the allegedly wide diffusion of stock ownership among citizens. Others assumed that large-scale depressions were no longer possible because of such safeguards as the Federal Reserve System; besides, laissez-faire economic theory left no

place for economic collapse short of war. When the depression came, as John K. Galbraith has written in *American Capitalism*, the professional economist had no adequate theoretical explanation for the crisis. On that occasion the politician, rather than the economist, showed the superior wisdom.

Biography and the New History

With this emphasis on psychology, it is not surprising that historical interests were deeply affected by the vogue for biography and autobiography. The grand model for the new biographer was the Englishman Lytton Strachey, who depicted eminent Victorians with unusual realism by attempting to discover the psychological drives of the personalities that he studied. This opened the door to fictionalized biography and to "debunking." A New York businessman, William E. Woodward, turned to writing entertaining biography with a grossly disillusioning effect known as debunking. His biography of George Washington reversed the tradition of Parson Weems, concocter of the cherry tree legend, by showing the famous Virginian as a crude land speculator and a third-rate general. On a much higher plane, Dr. Katharine Anthony sought Freudian motives in her biographies of Catharine the Great and of Elizabeth of England. Others even tried this technique with Joan of Arc.

The business philosophy of the twenties had its chief biographic exponent in the former Progressive Senator from Indiana, Albert J. Beveridge. His *Life of John Marshall* (1916-1919) raised the stature of the conservative Chief Justice, whose defense of business minorities resembled that of Alexander Hamilton. Beveridge proved far less generous to Abraham Lincoln. In the two volumes that he completed before his death, he showed Lincoln as a parochial-minded politician, more concerned with the day-to-day struggle for power than with ideals. However, Lincoln's reputation had a most attractive defense in Carl Sandburg's *Prairie Years*. Continuing the democratic philosophy of the Wilson epoch, Sandburg gave an ideal interpretation of Lincoln's youth, writing what seemed to be more prose poetry than history. Still, his insights into Lincoln's early psychology may have been closer to the real mind of the Great Emancipator than the verdicts of many more heavily documented studies.

It was especially fitting for an era of biographies that the decade

should close with the appearance of the monumental *Dictionary of American Biography* (1928–1944), published by the American Council of Learned Societies and the New York *Times*. Its twenty-nine volumes, written by over two thousand specialists, were intended to match the quality of the English counterpart, the *Dictionary of National Biography*.

Cultural history had seen its debut in 1911 when James Harvey Robinson published *The New History*, which called for the study of man's past in almost all of its chief aspects, not merely the political and military. Robinson hoped that the historian of the future would ally himself with anthropology, economics, psychology, and sociology; thus equipped, he would be capable of writing a penetrating history of society capable of "dissolving the bonds of prejudice." Robinson and his followers were affected by the nineteenth-century German historians of the *Kulturgeschichte* school.

The New History had many exponents at Columbia where Robinson taught: Charles Beard, who left the institution during the war, collaborated with his wife Mary in an outstanding two-volume cultural history, *The Rise of American Civilization*. Beard was proud to claim James Madison as his mentor in history and assert the Madisonian idea that self-interest and interest groups are the main-spring of history. Another colleague, Carleton J. H. Hayes, used the cultural approach to European history, especially in the study of nationalism. At Harvard, Arthur M. Schlesinger pioneered in the urban approach to cultural history, just as his fellow professor, Frederick Jackson Turner, was completing his earlier original study of the influence of the frontier in American history. Schlesinger and Dixon R. Fox were coeditors of the first coöperative series in American social history, *A History of American Life* (1927—).

One of the strange fruits of prewar "scientific history," which claimed the authority of Ranke himself, was the revisionist movement in the writing of the history of the South and the period of Reconstruction. The reaction against abolitionist interpretations of these subjects now led to a justification of the lost cause, or something very much like it. At the popular level, this revisionist point of view had its exponent in the Democratic party spokesman, Claude G. Bowers. His stirring book, *The Tragic Era* (1929), not only attacked radicals like Thaddeus Stevens and Charles Sumner as fanatics but

also seemed to justify the violence of the unreconstructed whites against the freedmen; the early Klan and the Redshirts came off rather well in this narrative.

Finally, the war stimulated wide interest in diplomatic history. The scholars' quarrel over war guilt had the active support of the various belligerent nations, who were eager to appear in their best light. Revisionists in this country were at first led by Bernadotte Schmitt of the University of Chicago, who held a critical pro-Entente position. His chief opponent, Harry Elmer Barnes of Smith College, took a decided stand that made Czarist Russia primarily responsible for the war. Midway between the two was Sidney B. Fay of Smith and Harvard whose two-volume *Origins of the World War* (1926) became almost the standard American interpretation.

The Advance of Science

The applied sciences, particularly, flourished during the twenties as the result of the mushroom growth of commercial and university laboratories financed by heavy endowments and appropriations. If chemistry made little progress in laying bare the ultimate mystery of matter, it created unheard-of new conveniences for housewives, automobile owners, and physicians, partly because the huge laboratories built for war purposes were available thereafter to private research.

During the war, a semigovernmental agency, the Chemical Foundation, had been organized to acquire all the patent rights held by enemy aliens, especially the vital coal-tar dyes and drugs, a field hitherto dominated by Germany. After 1918, however, this field was open to American chemists, and valuable bacteriological and medical products, such as rare sugars, chemical stains, and new drugs, were manufactured here for the first time. Chemistry made possible the production of inexpensive artificial silk, or "rayon," from cellulose; enthusiasts claimed that its use in hose and other articles of clothing leveled the difference between shop girls and ladies of leisure. From the gas mask used in the war were developed devices that protected workmen against fumes and poisonous dusts. Another advance was our production of helium from Texas natural gas, which gave us a major supply of this indispensable and noninflammable gas for dirigibles. More economical fuel mixtures and "antifreeze" preparations were available for automobile owners.

Physics moved closer to chemistry and the market place, especially in depth photography, aviation instruments, engineering, and the use of x-rays in medicine. Nevertheless, the decade witnessed several outstanding developments in the purely theoretical field, the most important of which resulted from the work of A. A. Michelson on the velocity of light, and of Arthur H. Compton on x-ray diffraction. Michelson, who had already received the Nobel Prize in 1907 (Compton received it later), won further recognition as a critic of the sensational theory of relativity, formulated by Albert Einstein of Germany, which apparently nullified the older idea of a static universe when it claimed that motion and velocity are relative qualities, and threatened an imminent revolution in physical science. California's huge observatories served as a testing ground for Einstein's calculations. The press, undeterred by the complex mathematics of relativity, watched these experiments with absorption, and curious laymen wondered if relativity in physics, like the evolutionary hypothesis in biology, would apply to the social sciences as well and overturn the traditional certainties regarding man's place in society as well as in the physical world.

Biology remained an intellectual storm center of controversies ranging from eugenics to evolution. Scores of popular writers, convinced that the laws of heredity had been too long ignored in this country, urged the passage of laws that would compel sterilization for the feeble-minded and insane. As a result, over twenty states had passed such laws by the end of the decade. Working along more cautious experimental lines, T. H. Morgan and his associates at Columbia continued their prewar discoveries regarding the genes that control inheritance and thus advanced our understanding of the mechanism of heredity.

Wartime science and prosperous research foundations helped to make the decade memorable in American medicine. Part of this advance was due to the fact that the selective draft gave the medical profession wider representation than it had had in any other war. From the grim experience of the battlefield came important advances in chest surgery made possible by new antiseptic methods. Malaria, typhoid, and dysentery, which had been responsible for a large proportion of the lives lost during the Civil and Spanish-American wars, became almost negligible as a cause of death during World War I.

Pneumonia, however, took their place, accounting for almost nine-tenths of all disease fatalities in the Army. The influenza epidemic of 1918-1919 led to important advances in techniques of isolating the disease and thus preventing its spread. The study and experiments by G. F. and G. H. Dick of Chicago on scarlet fever led to the preparation of an antitoxin in 1925. The Mayo Clinic at Rochester, Minnesota, became world famous for its outstanding medical research in such vital fields as the functions of the liver.

A host of scientific workers, whose experiments antedated the war, contributed to the most significant development in public health during the decade—the application of the recently discovered vitamins to revolutionize dietary theories and food habits. The proper vitamin was found to aid the normal growth of children, to cure certain diseases that are due to diet deficiencies, and to strengthen adult body structure. The irradiation of foods by ultraviolet rays was devised as a means of correcting calcium deficiency in teeth and bones. This discovery, however, opened a new field not only for scientists but for charlatans as well because irresponsible distributors could charge the consumer high prices for products that supposedly contained additional vitamins or were irradiated.

Modernism in Art

Architectural art was greatly affected by the current trend toward naturalistic expression. Louis Sullivan of Chicago had appreciated the aesthetic possibilities of the skyscraper as a "proud and soaring thing" and had taught that "form follows function," that the design must be inherent in the structure rather than merely superimposed. His outstanding pupil, Frank Lloyd Wright of Wisconsin, who had come to Chicago during the stimulating days of the Columbian Exposition, elaborated Sullivan's ideas of architecture as a plastic and organic art which reflected the continued evolution of things as well as the purpose of the inner structure. He rejected the "borrowed fineries" of eclectic styles and historic decorations. "Let no one . . . be the cause of a style," advised Wright, "or ever increase the number of the peddlers of a style." He used materials that would lend themselves most effectively to both the purpose of the building and the nature of its environment, and made ample provision for sunlight, fresh air, and comfort. Architecture was to him a form of

sculpture. His "prairie houses," for example, emphasized horizontal lines close to the earth but had magnificent open interiors; these won him an enviable reputation in Europe and even in faraway Japan as well as in the United States. Foreign critics often referred to his work as "the American expression in architecture." To the contemporary historian his theories seem to partake of the restless experimental spirit of the era and its craving for the utmost in individual expression.

Numerous architects followed this modernist trend, although conservatism was still evident in the frequent resort to traditional Greek and Roman decorative elements. Impressive perpendicular lines, sometimes blended with the popular Gothic motif, accentuated the "soaring" idea, as in the Chicago Tribune Tower, whose designers, John Mead Howells and Raymond Hood, won a world-wide architectural contest with their plans for this building. Some who criticized the judges' decision preferred the designs submitted by Eliel Saarinen, a Finn; his design, which won second prize, emphasized the beauty of the steel structure in its functional setting and was devoid of classical columns and cornices. Domestic architects found their greatest field in homes for wealthy suburban sections. An attractive adaptation of the Spanish style of architecture was widely used in California and Florida. However, most small home owners were unable to afford the services of an architect and hence followed standardized models.

Closely related to architecture was the art of city planning, which made unprecedented progress during the twenties, particularly in zoning. In 1916 only eight cities had zoning ordinances which restricted the type of building that could be erected in certain districts, but by 1929 there were 821 cities with such ordinances, and three-fifths of the entire urban population was thereby affected. Building codes limited the unbroken height of skyscrapers in order to assure sunlight and air to adjacent areas; thus the skyline revealed a succession of setbacks.

Since the Armory Show of 1913, which had introduced the modernism of Picasso and his rivals to America, native painters had begun to experiment with cubist and abstract art. However, the prewar crusading spirit had declined into a detached "unsocial" form in which pure aestheticism—"art for art's sake"—was the keynote. Ex-

perimentation without a guiding hypothesis is usually doomed to futility, and this fact accounts for the ephemeral quality of so much of the work done. Nevertheless, individual genius had its expression in the highly significant abstract landscapes of John Marin. Though his scrawling lines seemed to be mere child's play to the conventional eye, his intense mood transformed his canvas work into a mature, arresting interpretation of the landscape. There was also Georgia O'Keeffe, hailed as "the loveliest woman painter of the world," who earned praise for her semiabstract flowers and desert scenes. Most of the artists continued to work outside of the modernist fold, but they could not wholly resist the current experimental tendencies.

Although patrons paid dealers a quarter of a billion dollars in 1929 for all types of imported works of art, American painters complained of a lack of both appreciation and patronage. Better fed than the struggling painters in oil were the commercial artists, whose work was done largely for advertisers. Commercial art became a major profession as businessmen gave up their exclusive concern for utility and demanded that their products be presented with more regard for aesthetics.

The Jazz Invasion

Lovers of "classical" music were jarred by the jazz invasion of the twenties that accompanied the Negro migration from New Orleans to Chicago's South Side and New York's Harlem. The musical critic Daniel Gregory Mason of Columbia denounced jazz as the attempt of "a joyless industrial civilization to arouse its fatigue-poisoned minds and its drudgery-jaded bodies." Friendly exponents of jazz like the band leader Paul Whiteman argued that it was the "folk music of the machine age."

Rex Harris, English head of the National Federation of Jazz Organizations, depicts jazz as the Negro's own domain of folk music with roots in the rhythms of West Africa, the southern plantation, New Orleans' red-light Storyville district, and the Creole tradition. Chicago's Negro bands, especially those of "King" Oliver, "Jelly Roll" Morton, and Louis Armstrong, had transplanted the possibilities of syncopation from New Orleans to many eager white musicians. Recording companies and the music publishers of tin-pan alley discovered innumerable fans for this exciting music. In the dance halls,

night clubs, and cafés enthusiasts enjoyed the infinite improvisations and showmanship of the Negro pioneers in the jazz idiom, their versatile uses of the cornet, the trumpet, the trombone, and other brass instruments.

Virgil Thomson, an appreciative music critic, evaluated Louis Armstrong highly: "His style of improvisation would seem to have combined the highest reaches of instrumental virtuosity with the most tensely disciplined melodic structure and the most spontaneous emotional expression." While Chicago danced to these bands, New York's Harlem had its Duke Ellington, a talented musician with far more formal training than his Chicago rivals, though according to Rex Harris he was often guilty of "classicizing jazz." White band leaders like Whiteman and Vincent Lopez sought to make jazz "respectable" by performing in concert halls dressed in formal attire.

Debussy and Stravinsky had already experimented with ragtime or jazz motifs in serious compositions. None was more successful in this field than the Brooklyn-born son of Jewish immigrants, George Gershwin. Largely self-taught, he won heartfelt applause for his symphonic music as well as the light musical comedy tunes he wrote for *George White's Scandals*. Gershwin gave jazz symphonic proportions in his *Rhapsody in Blue* (1923) although jazz enthusiasts have criticized this tendency as alien to the New Orleans tradition. The Gershwin version of symphonic jazz continued in the *Piano Concerto in F* (1925); during the next decade he adapted his ingenious style to an opera about Negro life in *Porgy and Bess*, based on a story by the southern white author Du Bose Heyward.

In the "classical" field, Europe's masters dwarfed American composers as in the past. However, at least twenty-six American compositions were steadily played on hitherto Europeanized orchestral programs. Deems Taylor's opera *The King's Henchman* received an ovation from discerning critics when it was produced in 1927. The gifted Swiss-American composer, Ernest Bloch, who founded and directed the Cleveland Institute of Music, was one of the fortunate to have his pieces played regularly in symphonic halls. His *America* was a magnificent symphonic compliment to his adopted land. Among the rising group of outstanding Negro composers was William Grant Still, who expressed the exoticism, emotional depth, and almost innate rhythm of his people.

Technology darkened the outlook for ordinary musicians. Thousands were driven out of their profession by the sound movies, the radio, and the continued popularity of the phonograph. In the average home, devotees of the radio or the phonograph dispensed with the piano, and the sales of this once-central article of furniture dropped sharply. There was some room for optimism, however, in the vigorous current interest in music education in the schools and colleges. Vocal and choral instruction advanced in popularity together with extensive orchestral training that was symphonic in scope.

The 1920's marked a turning point in the cultural history of America. The prewar promise of emancipation from the intellectual tutelage of Europe was partly fulfilled during this decade, for all its materialism and egoism. European science, art, and literature of course enjoyed high esteem among Americans, but in turn the fruits of our intellectual creativeness reached Old World shores more than ever. Fittingly, however, for a period which emphasized technology, the average European knew us best for our motion pictures and our assembly-line methods of mass production. French critics seemed especially fond of American syncopated music. Dewey's educational theories penetrated almost every European country, Turkey, and Latin America. American writers, particularly those with a socially critical viewpoint like Theodore Dreiser, Sinclair Lewis, and Upton Sinclair, had a large following in England and on the Continent; and American science as well as large-scale American philanthropy likewise crossed the Atlantic.

Chapter 13

THE POLITICS OF BUSINESS LEADERSHIP: 1921-1929

The Return of Laissez Faire

"Less government in business, more business in government!" This slogan of the Harding campaign became the political faith of the decade. Government enterprise, trust busting, and Wilsonian welfare legislation were discarded whenever possible in favor of greater free play for industrial and financial giants—save for the traditional tariff subsidies. Jefferson too had called for less government and strict economy, but this was during an agrarian age when he and the farmers suspected Hamilton's protective tariff and his financial projects. Hamilton had distrusted political majorities, for he had faith only in the intelligent self-interest of the business elite as the mainspring of society. Therefore business journalists preferred Hamilton to Jefferson despite the laissez-faire maxims of the author of the Declaration of Independence. There was no greater praise for Andrew Mellon or anyone else than to say that he was "the greatest Secretary of the Treasury since Alexander Hamilton." The prestige of the businessman, buttressed by the greatest prosperity in history, soared to new heights.

Politics reflected the status of the businessman. Utility magnates like Samuel Insull frequently made and unmade the men chosen to public office because of the indifference of millions of eligible voters. Since 1896 the proportion of voters at presidential elections had fallen from 80 to 50 percent of those eligible; and 5 to 20 percent

more disappeared at state and city elections. This was at a time when at least 70 percent of the registered voters in most western European countries were casting their ballots regularly.

Although easygoing President Harding may himself have been unaware of the corruption that marked his administration, the fact remains that he brought to Washington the notorious Ohio Gang, steeped in bribes from oil companies, graft in public supply contracts, and pelf from trafficking in public offices. Like President Grant during the Reconstruction period, Harding admired most the postwar industrialists, merchants, and financiers who embodied real power; and he, like Grant, was betrayed by friends whom he had placed in high office and who had succumbed to the prevailing acquisitive spirit.

Lightening the Tax Burden

Perhaps no greater symbol of business leadership in politics could have been found than Andrew W. Mellon of Pennsylvania, Secretary of the Treasury under Harding, Coolidge, and Hoover. One of the wealthiest men in the country, Mellon had amassed a fortune in banking, aluminum, and steel; his family's aluminum investments approximated the total national output of the vital product. Although he resigned from his business enterprises on being appointed to the Cabinet, he still retained his distaste for anything suggesting government enterprise, and his program of economy meant drastic reductions in the highest tax rates and generous tax refunds.

After 1922 prosperity created tax surpluses that necessitated wholesale tax revision and encouraged the rapid reduction of the national debt. Mellon claimed that business was handicapped by high taxes; accordingly, his first step was to reduce income tax rates in the higher brackets. The Secretary battled in congressional committees for the abolition of federal inheritance and gift taxes, which he branded as socialistic, for the reduction of excess profits taxes, and for the repeal of the section of the existing revenue law that provided for publicity regarding tax returns.

Mellon was obliged to beat a temporary retreat when the rebels in his party joined John Nance Garner of the House Ways and Means Committee. Among other things, these critics wanted to know why incomes below \$5000 should not be exempted from all income taxes.

Mellon's reply was somewhat reminiscent of Hamilton's defense of the excise tax which resulted in the famous Whisky Rebellion. "As a matter of policy," the Secretary said, "nothing so brings home to a man the feeling that he personally has an interest in seeing that Government revenues are not squandered, but intelligently expended, as the fact that he contributes individually a direct tax, no matter how small, to his Government." With the strong support of Harding, Coolidge, and Hoover in succession, Mellon succeeded in slashing by one-third the huge war-swollen national debt; in 1920, some \$24,061,000,000 was outstanding, but a decade later this figure had fallen to \$16,185,000,000. Wartime taxes almost disappeared. With a jealous eye on the nation's revenues, Mellon fought legislation that would extend federal aid to the states and stiffened the three Presidents' resistance to veterans' bonus laws despite the political repercussions. "Economy," President Coolidge once said, "is idealism in its most practical form."

Scandal in the Veterans' Bureau

Hoping to avert the extraordinary pension burden that followed the Civil War, Congress had passed a War Risk Insurance Act in October, 1917, that provided both life insurance and generous hospitalization for war veterans, and support for their orphaned dependents. This legislation proved anything but final, for by 1924 almost one hundred changes had been incorporated in it. The newly organized American Legion, which in 1922 had an estimated 850,000 members, exerted powerful pressure for legislation which would provide permanent pensions for all who wore a uniform during 1917-1918, regardless of actual combat service. It also attempted to supplement the discharge bonus, which by 1922 had cost the nation a quarter of a billion dollars, by paid-up insurance. Although the bill which would have made this possible was passed in both the House and the Senate, it was vetoed by President Harding on Mellon's insistence, and the veto was sustained in the Senate, with Borah of Idaho firmly holding the line for economy.

In response to group pressure from veterans, Harding in 1921 had combined the various federal offices dealing with ex-soldiers into a single semi-independent body, the United States Veterans' Bureau, for which some half-billion dollars was to be appropriated each year.

Unfortunately, however, he chose as its director Charles R. Forbes, whose dishonesty cost the Bureau at least \$200 million. At a time when veterans' hospitals were suffering from desperate shortages in supplies, Forbes enriched himself and his friends by labeling as "worthless" valuable materials, including Red Cross donations, and selling them to certain men who, acting in collusion, resold the identical items to the Bureau at exorbitant prices. Fraud likewise was rife in the awarding of contracts and the purchase of hospital sites. The scandal was eventually brought into the open by disgruntled contractors who resented the favors shown to Forbes' own men; the ensuing Senate investigation, although long delayed, confirmed the worst fears. Forbes resigned his office in 1923 but was convicted two years later by a federal court; one of his chief associates committed suicide. This was one of the first of the major scandals of the Harding administration; the others came to light only after the President's death.

Budget Reform

Far more in keeping with Harding's campaign slogan, "More business in government," was the passage in 1921 of the Budget and Accounting Act, which had been sponsored by both Taft and Wilson when President. Instead of having each executive department submit inflated and conflicting estimates of expenditures and revenues to Congress, there to be considered by nine different legislative committees, the new act created a Bureau of the Budget which afforded complete centralization of control directly under the President. The Bureau was not only to examine and revise estimates but also to simplify the numerous administrative bodies and departmental processes. A vigilant "watchdog of the Treasury"—sometimes too vigilant—was provided in the person of the semi-independent Comptroller General who headed the new General Accounting Office; he was empowered both to audit accounts and to set aside expenditures he judged illegal. Finally, the House of Representatives decided that a single enlarged Committee on Appropriations should examine budget expenditures. This was a long forward step in curbing log-rolling, a practice which had drained the Treasury in behalf of politically useful local projects.

As his first Director of the Budget President Harding chose the

able Chicago banker, Charles G. Dawes, whose name later won respect in the chancelleries of Europe in connection with reparation payments. Availing himself of his new prestige as the President's direct financial representative, Dawes set valuable precedents for future budget directors by his coördinated policies that broke down the separation between departments. High officials met occasionally to hear his vigorous lectures on economy and efficiency, and refractory Congressmen soon learned to respect his opinions on government finance.

The Revival of Economic Nationalism

Wilson's low-tariff policies were hastily scrapped by the incoming Republican administration. "I believe in the protection of American industry," Harding declared in his special message on April 12, 1921, "and it is our purpose to prosper America first." The Emergency Act of 1921 gave illusory protection to middle western farmers and more substantial aid to the sugar, wool, and chemical interests. The Fordney-McCumber Tariff Act of 1922 went far toward restoring—in some cases it even surpassed—the sharply criticized prohibitive schedules of the Payne-Aldrich tariff of 1909, especially in textiles. Because protectionists inserted the dubious "flexible" clause which equalized costs here and abroad, a new tariff commission was entrusted with the task of determining duties that would offset the lower costs of labor and materials in other countries. Acting on the commission's report, the President could increase or decrease the prevailing duties by as much as 50 percent, if necessary.

Objective economists in this country severely criticized this "flexible" clause as unworkable. To make matters worse, both Harding and Coolidge appointed frankly partisan protectionists to the tariff commission, thus ending the hope that the tariff could be kept out of politics. The commission, torn as it was by internal dissensions, contrasted sharply with Wilson's advisory group of six distinguished economists, under Professor Taussig of Harvard, who made scientific data available for tariff framers. European debtor nations found our tariff an obstacle to payment of debts as well as an excuse for retaliatory measures. Republican defenders of the Fordney-McCumber Act could, however, point to the fact that many protectionist votes came from Democratic ranks.

Harding's Labor Policies

President Harding had shown a kindly paternalism toward labor while managing his little Marion newspaper and had publicly pledged himself to fight for the ideal of a living wage. When the depression of 1921 forced almost six million people out of work, he was glad to accept the advice of Secretary of Commerce Herbert Hoover and called the first federal unemployment conference in history. Hoover recommended an immediate expansion of private and governmental projects to revive employment, but met only a half-hearted response. Even less heed was given to his long-run proposal to stabilize the economy by deferring all but the most pressing public and private construction for periods of recession. This idea had the special merit of economy because projects would be undertaken when prices were low. When Hoover became President, confronted with a much worse depression than that of 1920-1921, he found that nothing had been done with his plan.

Harding, like Wilson in his later years, reverted to the labor injunction as a method of stopping strikes and added the use of troops to settle labor disputes. The depression intensified the internal weaknesses of the railroad and coal mining businesses. One of the results of the Transportation Act of 1920 had been the creation of a Railroad Labor Board to regulate labor conditions and to intervene if negotiations broke down. Actually the Board had no effective means of enforcing its decisions. Worse yet, its impartiality was doubted and its vacillation cost it the respect of both sides. In 1922, the Board became temporarily popular with labor by outlawing the railway practice of evading union wage scales by farming out much of their shopwork to nonunion firms, a situation that had resulted in the displacement of about 40 percent of regular shopmen. But carrier resistance nullified this ruling and the Board felt helpless when the companies ordered severe wage cuts.

Thereupon 400,000 shopmen walked out on July 1. The carriers, supported by the Board, which regarded the strike as a wildcat affair, formed company unions and threatened to deprive all strikers of their seniority rights. Harding tried to arbitrate the strike but failed. He then instructed his Attorney General, Harry M. Daugherty, to issue one of the most sweeping federal injunctions in history

against all railway strike activities as a violation of the Sherman Antitrust Act. This destroyed much of the force in Wilson's Clayton Act, which was intended to exempt unions from prosecution under the Sherman Act. But the strike collapsed. Daniel Willard, head of the Baltimore and Ohio and leader of the moderate wing of the carriers, tempered the terms by restoring to his men most of the shop-work recently contracted outside and soon raised wages while improving efficiency. However, the conservative executives of the Pennsylvania Railroad and most of the others not only slashed wages but also canceled the seniority rights of the strikers. Neither side was unhappy to see the demise of the Railroad Labor Board; a new Railroad Act in 1926 eliminated some of the pitfalls that had beset the older Board.

In August, 1921, Harding ordered an Army detachment to the West Virginia bituminous coal fields to halt a civil war between miners and armed deputies. Efforts of the United Mine Workers to unionize the South and thus protect union scales elsewhere had aroused determined resistance from the operators, who were pressed by falling prices. When the bituminous coal wage agreement expired in April, 1922, the operators cut wages and inspired a strike of over 500,000, who were followed shortly by 150,000 anthracite coal miners. Harding requested the state governors of the mining states to order the National Guard units to keep the mines open. However, the victory eventually went to the UMW and John L. Lewis, who secured concessions in wages, conditions, and union recognition.

During this national coal strike of 1922, the worst example of violence in labor history took place at Herrin, Williamson County, Illinois, in the so-called Herrin Massacre. Here a headstrong coal operator defied the long-established union miners of "bloody Williamson," where a vendetta spirit had taken root among the descendants of early mountaineers. He imported strikebreakers protected by industrial guards, who erected a barricade around the mines. Mindful of the old nonunion era when wages had been low and safety devices lacking, the embittered strikers armed themselves and laid siege to the mine barricade. After two of their men had been shot they opened an intensive fire that forced the strikebreakers and guards to surrender. Unrestrained in their fury, the strikers butchered twenty of their prisoners and injured others. So strong was local feeling that

the sheriff refused to make any arrests, townsfolk readily furnished alibis for all of those accused of murder, and two juries exonerated the union men on trial. President Harding denounced the barbarism of Herrin and repeated the argument of the open-shop associations that "a free American has the right to labor without any other's leave." The United Mine Workers, fearful that the national revulsion over the murders would destroy their union, gave heavy financial support to the legal defense. No one paid the penalty for the massacre and bloody Williamson continued on its path of violence unrebuked.

President Calvin Coolidge

Harding's death in San Francisco on August 2, 1923, mercifully spared him from knowing the scandals that were brewing during his administration. Newspapers and schoolteachers compared Harding with Lincoln as a great man who had been martyred in office. The nation mourned him deeply, convinced that he had much to do with the current prosperity. Few knew how much was actually amiss in Washington.

Vice-President Calvin Coolidge took the oath of office at his father's home in Plymouth, Vermont, and reassured his countrymen that he would follow in the footsteps of his illustrious predecessor and would retain the same Cabinet. Journalists who had loved the jovial, handsome Harding eyed critically the solemn, puritanical New Englander who was by contrast so unimpressive physically, sparing of words, and socially aloof. But those who knew Coolidge appreciated his excellent abilities and training, his innate shrewdness, and his high-minded sincerity. He was no giant in the tradition of Roosevelt and Wilson, but the times seemed to call for mediocrities who would not disturb the national leadership held by businessmen. Conservatives were reassured by his handling of the Boston police strike in 1919 and by his oft-quoted statement that "the business of America is business." The perpetuation of business leadership in politics was certain.

The Teapot Dome Scandal

Within a few months of Coolidge's accession to the Presidency there were heard the first ugly rumors of scandal involving Harding's

Secretary of the Interior, Albert B. Fall of New Mexico, whose appointment had been regarded as an affront to Mexico because of his belligerent advocacy of intervention while a Senator. Now, after a decade of financial difficulties, Fall was suddenly showing evidences of considerable prosperity, especially in expanding his ranch in New Mexico. On October 25, 1923, Senator Thomas J. Walsh of Montana, a Democrat, called for a public hearing on the peculiar circumstances surrounding the leasing of two naval oil reserves to private corporations. One of these reserves, the Teapot Dome oil field, was located in Wyoming and had been set aside for the Navy's use by Wilson; the other, at Elk Hills, California, had likewise been withdrawn from private use by Taft.

The mystery of how Fall could accumulate almost \$125,000 on an annual salary of \$12,000 was slowly solved by the Senate committee. Secretary Fall had convinced both Harding and Secretary of the Navy Edwin Denby that the two reserves should be transferred to the Department of the Interior. Thereupon he leased Elk Hills to Edward L. Doheny, multimillionaire president of the Pan-American Petroleum Company; this transaction, Doheny told the Senate, should net the company at least \$100 million profit. At practically the same time, Doheny's son turned over to Fall a satchel containing \$100,000, covered only by an unsecured note for whose origin the Secretary could give no convincing explanation. The other beneficiary of federal largess was Harry F. Sinclair, another oil magnate who was interested in Teapot Dome. The lease for this field, which was believed to be worth at least as much as the Elk Hills unit, was awarded to Sinclair in 1922 without the inconvenience of competitive bids. Once more a Senate investigating committee found evidence that Fall had been bribed when it disclosed the transfer of \$223,000 in Liberty bonds from a Sinclair corporation to the Secretary's son-in-law, supplemented by a gift of \$85,000 in cash and some choice cattle for Fall's ranch.

President Coolidge promised that the guilty would be punished. He followed the excellent advice of Harlan F. Stone, a prominent lawyer, in selecting Owen J. Roberts and Atlee W. Pomerene as special counsel to prosecute the oil cases. The lethargic Department of Justice headed by Harry M. Daugherty, Harding's intimate friend, was ignored. When Fall, Doheny, Sinclair, and their associates took

the stand, their memories grew poor and their testimony was conflicting. Sinclair's refusal to answer many of Senator Walsh's questions brought him a contempt citation from the Senate and three months in jail, in addition to a fine of \$1000. During the court trial of Fall and Sinclair, the latter employed detectives to shadow the jury; this brought him a second contempt citation and six months more in jail. Ultimately, after protracted court proceedings, both he and Doheny managed to be acquitted. Curiously enough, only Fall the bribe-taker was convicted; he was sentenced to a year in jail and a fine of \$100,000. The federal prosecutors eventually obtained the cancellation of the oil leases. The publicity given the trial cast a shadow on various political notables—even, by implication, on Harding himself—but their names were cleared after the excitement died down.

The Downfall of Daugherty

Although the oil cases led Denby to resign as Secretary of the Navy, Daugherty clung obstinately to his post as Attorney General in spite of suspicions against him. These charges became concrete during the middle twenties when another Harding scandal was unearthed; this one involved Daugherty and the Alien Property Custodian, Thomas W. Miller, a Harding appointee. Among the enemy alien property seized by the federal government during World War I was the American Metal Company, supposedly German owned, whose assets were put at \$6,500,000, including interest, in 1921. To secure possession of this property, a German representative paid John T. King, a "go-between" politician, some \$441,000. Of this sum, \$50,000 found its way to the Alien Property Custodian; another \$50,000, in easily identified Liberty bonds, was deposited to the account of Jesse Smith, a close friend and business associate of Daugherty. Before the case was brought to trial, however, King died and Smith committed suicide; some of the latter's personal records were reported destroyed by Daugherty or his agents.

This chain of circumstantial evidence called for a formal investigation of the Attorney General. To everyone's surprise—and Coolidge's disgust—Daugherty refused to testify on the technical ground that his testimony might incriminate him. Instead he issued a remarkable statement to the effect that his relations with Harding, as

his personal attorney and Cabinet officer in particular, and with other high officials were most confidential, the obvious inference being that his refusal to testify was based solely on a praiseworthy desire to protect the late President. Miller alone was convicted and jailed.

This proved the last straw even for Coolidge, who was notoriously slow in taking action, and Daugherty was forced to resign from the Cabinet. More evidence was accumulated against the unofficial "attorney general," Jesse Smith, who had maintained an office in the Department of Justice and seemed to have acted as an intermediary for Daugherty. Also disclosed was the unsuccessful attempt of the Department of Justice to prosecute Senator Burton K. Wheeler of Montana, the leader of the Senators who had challenged Daugherty's probity. Special agents of the Attorney General, charged members of the Senate, were creating a "government by blackmail." The resulting lack of confidence in government officials was so widespread that even the Democrats, who naturally were glorying in their assault on Republican virtue, failed to gain an unprecedented number of the nation's votes in either 1924 or 1928.

Business and the Election of 1924

In his campaign for the Presidency in 1924 Coolidge carefully dissociated himself from the Senate clique, led by Lodge, which had promoted Harding's election in 1920. The professional politicians were replaced by a group of New England businessmen which included Frank W. Stearns, the Boston cotton mill owner, and Senator William M. Butler. The latter, a traction magnate and textile manufacturer of Massachusetts, managed Coolidge's campaign.

The Republican state primaries indicated an overwhelming preference for Coolidge's renomination, a preference borne out at the convention in Cleveland when he won an easy victory on the first ballot; La Follette and Hiram Johnson, who also sought the nomination, received only a few scattered votes. Charles G. Dawes, whose record as Budget Director and reparations expert had been outstanding, was nominated for the Vice-Presidency. The party platform embodied Mellon's ideas on economy and tax reduction.

The Democratic convention, which was held in New York's Madison Square Garden, was far less harmonious. A fierce battle raged

between the delegates pledged to support Tammany's Alfred E. Smith and those from the rural South and West who supported William G. McAdoo of California, Wilson's son-in-law and political heir apparent. Smith, though a conservative from an economic point of view, had advocated progressive measures as governor of New York but had antagonized William Jennings Bryan and the dry forces by his activities in securing the repeal of the state prohibition law. Smith's boast that he came from the sidewalks of New York and that the Fulton Street fish market was the only university he had ever attended failed to endear him to the delegates from the rural sections. Nevertheless, an enthusiastic roar went up when his name was placed before the convention by Franklin D. Roosevelt.

A Pandora's box of trouble was opened when Smith's managers, who represented the urban, Catholic, Jewish, and liberal elements, demanded that the party platform condemn the rampant Ku Klux Klan by name. McAdoo and Bryan, assuredly no friends of intolerance, sought to avoid the political trap laid for them on account of their southern following by substituting a general plank that assailed "any effort to arouse religious or racial dissension." The McAdoo forces won this costly skirmish by a narrow margin, but dangerous feelings had been aroused between the forces of rural, Protestant, dry America and the motley urban, wet elements.

The balloting continued for well over a week, with McAdoo leading but unable to win the two-thirds vote needed for nomination. Many of the delegates, worried by the specter of mounting hotel bills, began a frantic search for a compromise candidate. Their choice, John W. Davis of New York, received the nomination on the hundred and third ballot.

Davis, once a vigorous Wilsonian liberal, was a supporter of the League of Nations and a moderate on the prohibition issue, but, as Republican and progressive critics soon pointed out, he had served as counsel for the Morgan interests. This was a serious drawback, in view of the tradition that, however generously corporations might contribute to campaign funds, the President himself must not be too ostensibly associated with big business. Davis and his supporters at once made a bid for Bryan's coöperation by securing the vice-presidential nomination for his brother, Governor Charles W. Bryan of Nebraska. The party platform assailed the Teapot Dome scandal,

emphasized honesty in government, and advocated a scientific revision of the tariff, farm relief, and a cautious modification of Wilson's policies in foreign affairs.

The Defeat of Progressivism

Even before it became clear that Davis would be nominated, various dissident progressives sponsored by the Conference for Progressive Political Action, a farmer-labor organization, offered the presidential nomination to Senator Robert M. La Follette on a platform of his own making. Senator Burton K. Wheeler of Montana, nominally a Democrat, was their vice-presidential candidate. The two men were heartily endorsed by the great railroad brotherhoods, the Socialist party, and the American Federation of Labor, which thus temporarily shelved Gompers' policy of avoiding party politics.

As before the war, La Follette's platform declared: "The great issue before the American people today is the control of government and industry by private monopoly." The veteran Senator asserted that more than 600,000 farmers in the fifteen leading wheat-growing states had been virtually bankrupt since 1920, in the face of continuing prosperity for industry. He attributed this to the exorbitant tariff, the favoritism shown powerful corporations, the excessive freight rates paid by farmers, and speculation in farm products. He promised a thorough cleanup of the Departments of Justice and the Interior. The platform also included protection of labor against the injunction, a promise of judicial reform, and a popular referendum on war and peace. Finally, the Senator outlined a program for government ownership of water and power resources which would lower the rates paid by the consumer.

During the campaign La Follette effectively neutralized the magic of the Bryan name in the Middle West as the famous Democrat took the stump with his brother in behalf of Davis. That the people were apathetic to crusading issues and to Davis' charges of corruption among Republicans was manifest on election day, when Coolidge won 382 electoral votes and Davis 136; La Follette had only the 13 cast by Wisconsin. Davis was supported exclusively by the solid South and Oklahoma. Coolidge's popular vote was 15,725,000; Davis', 8,386,000; and La Follette's, 4,826,000. The latter was stronger than Davis in twelve midwestern and western states. The Republi-

cans increased their slight margin in the House and Senate—it had been dangerously cut in 1922—but farm bloc Republicans constituted a hazard to the administration program. Shortly after the strenuous campaign of 1924, La Follette and William J. Bryan both died, having witnessed the crushing defeat of the prewar progressive leaders.

The Atrophy of Government Regulation

Coolidge's inaugural address struck the usual note of economy and dwelt upon the current prosperity of the land. Much more unexpected was the sharp harangue which Vice-President Dawes gave the Senate on the subject of the waste involved in prolonged debate. "Who would dare maintain," he asked, "that the right of the Senate itself to act should ever be subordinate to the right of one Senator to make a speech?" However, this assault on the time-honored filibuster and kindred dilatory tactics brought no response from his increasingly cool audience. Progressive Senators more than once had found the filibuster a valuable weapon in protecting minority groups such as the farm bloc against the conservatism of the majority, and southern Senators regarded it as infallible when antilynching legislation was being considered.

Like Harding, Coolidge did not advocate strong executive control over Congress, nor did he favor any far-reaching program of social reform. Although sympathetic toward those whom the new prosperity had passed by, he nevertheless firmly rejected every suggestion that involved "federal paternalism"; the states, he insisted, were responsible for providing relief for their underprivileged groups. In his message to Congress in 1925, he said: "It does not at all follow that because abuses exist, it is the concern of the federal government to attempt their reform." Critics noted that his public utterances emphasized the Calvinist virtues of thrift, sobriety, honesty, self-denial, and the glory of labor in the attainment of individual wealth.

Seldom had commerce and industry enjoyed such favor at the White House. The Federal Trade Commission, Wilson's chief instrument of business regulation, declined in both importance and prestige after the new Coolidge-appointed members introduced their policy of "self-government for industry." For a time it seemed that the FTC was concerned solely in aiding businessmen to circumvent

the antitrust laws. This added function became apparent when William E. Humphrey of Washington, a former Republican Congressman and one of Coolidge's campaign managers, was appointed to the Commission. Immediately its investigative and judicial activities were reduced and Wilson's policy of "pitiless publicity" was largely discarded. Business and trade associations, always an object of suspicion to reformers before the war, were given open encouragement in the new Trade Practice Conference system, which promoted price uniformity rather than competition.

Writing in *The Magazine of Wall Street* on April 5, 1927, Humphrey boasted of the revolutionary "wholesale fusion of political and economic life." This he attributed to the increasing ownership of stocks and bonds by every class of people. The three or four hundred trade associations that were represented at Washington, he said, constituted "a sort of parliament of the people as business units"; as a result, "The ballot follows the bond; the vote is the voice of business." Economic life was regulated more and more by the decisions of these associations. "Instead of passing obstructive laws for political purposes," Humphrey said caustically, "Congress now satisfies its demagogic tendencies by ordering all sorts of investigations—which come to nothing." These opinions brought Humphrey under the fire of Senate liberals, who demanded the abolition of the FTC as the pawn of big business.

A similar tendency to atrophy was apparent in the declining activities of other regulatory agencies, for example, the Interstate Commerce Commission, which had come into being in 1887 as the result of the farmers' revolt against railroad monopoly. Coolidge urged Congress to authorize railroad consolidations under the supervision of the Commission; actually, however, this body had a minor part in the subsequent plans for combination, for the large railroad operators called the tune. The Railroad Labor Board was replaced by informal boards of adjustment which reduced the government's role in labor relations. Hard-pressed farmers demanded that the ICC reduce railroad rates, but no action was taken. Another declining regulatory agency, the Federal Power Commission, created by the Federal Water Power Act of 1920 to supervise power activities primarily through a licensing and rate-fixing system, suffered from inadequate personnel (it consisted of three Cabinet members) and frequently suc-

cumbed to the pressure of the power interests. Not until June, 1930, did Congress set up a power commission of five full-time members with functions analogous to those of the Interstate Commerce Commission, and even then serious loopholes in power regulation still existed. Moreover, the Tariff Commission, according to Democrats as well as Republican insurgents, seemed ineffective and biased in favor of special interests that demanded protection.

This trend toward greater self-regulation on the part of business was paralleled by similar developments elsewhere, as in various state governments. The New Jersey legislature, which had enacted the sweeping program advanced by Governor Woodrow Wilson for business control, repealed all such restrictions on big business. Even the Supreme Court moved gradually to Brandeis' belief that it was better to permit the restraints on competition advocated by trade associations in their efforts to "rationalize competition" than to force industry to enter "the inviting field of consolidation."

The Power Industry Versus Progressivism

Senate progressives like Norris and Walsh joined the Democratic regulars in selecting publicity as a weapon against the steady encroachment of business on government. During 1927-1928 these dissidents, with great reluctance, entrusted the Federal Trade Commission with the task of investigating the power industry. Gifford Pinchot, former governor of Pennsylvania and a lifelong crusader for conservation, had aroused congressional interest by his open letter to Senator Thomas J. Walsh of Montana, in which he asserted that four-fifths of all the electrical energy produced in the United States was controlled by forty-one corporations. These corporations, which represented a total capitalization of well over \$10 billion, were controlled by relatively few men.

The Commission's subsequent investigation substantiated many of Pinchot's fears regarding the concentration of power in the electrical industry through fantastically pyramided holding companies. In one instance cited by the FTC, a single million-dollar investment resulted in control of companies worth several hundred million dollars. Prominent among those at the top in the industry were the Anglo-American Company, Samuel Insull of Chicago, the General Electric Company, and the North American group. Public utility

propaganda against government ownership had penetrated the schools and press. Even the infant radio industry, firmly based on patent monopoly, seemed to have reached the consolidation stage by 1927, when the General Electric Company organized the Radio Corporation of America.

One of the most sustained efforts against the Power Trust was the battle waged by Senator Norris of Nebraska for permanent federal operation of Muscle Shoals, the forerunner of the Tennessee Valley Authority. Muscle Shoals, located on the Tennessee River falls in northern Alabama, was built in 1918 by the federal government to supply power for the manufacture of nitrate explosives needed in our war effort. The total cost of developing the project, including a series of dams, was \$145 million. Both Harding and Coolidge favored disposing of the property as quickly as possible to private corporations; accordingly, work on the Wilson Dam unit was stopped. On July 8, 1921, Henry Ford submitted a bid for a hundred-year lease; the amount he quoted would apparently enable farmers to buy nitrate fertilizers at a low price. The question of the large-scale development of electric power seemed forgotten in Congress, which was in favor of accepting Ford's offer.

Senator Norris, convinced that the future of America was closely connected with electric power, argued that an independent government corporation must enter the field in order to safeguard later generations against private monopoly; moreover, he contended that federal operation of Muscle Shoals as a power source would provide a yardstick for determining the fairness of the rates paid by consumers. As southern and western Congressmen became converted to Norris' views, Ford withdrew his bid. In 1925 Coolidge put his support behind the utility-sponsored Underwood Bill, which would have leased the water-power rights of Muscle Shoals to a private corporation, but the measure failed to pass Congress. Coolidge took his revenge three years later when he pocket-vetoed the Norris-Morin resolution which included some public power ideas. Convinced that the war on the "Power Trust" was of paramount importance to the nation, Norris deserted the Republican party in 1928 to support Alfred E. Smith, who was sympathetic to federal power projects, but not until the advent of the New Deal did his project become a reality.

Utility spokesmen were actively engaged during the twenties in

attacking the long-pending project for a huge dam to be constructed and operated by the federal government at Boulder Dam on the Colorado River. Secretary Hoover, despite Coolidge's indifference, urged publicly not only the reclamation, irrigation, and flood control advantages of developing the large internal waterways but also the large-scale production of electric power. His enthusiasm for efficiency led him to champion conservation. "Every drop of water that runs to the sea without yielding its full commercial returns to the nation is an economic waste," he said. However, he was emphatic in his opposition to the government's entering the business of generating and selling electrical power directly to the consumer. Where power was a by-product of a federal dam, then he thought that the power rights should be leased privately so as to recover as much of the federal investment as possible.

Hoover took a leading part in the negotiations of the seven states interested in developing the Colorado River basin—Wyoming, Colorado, Nevada, Utah, California, Arizona, and New Mexico. Invoking the seldom-used clause of the Constitution that provides for interstate compacts if sanctioned by Congress, these states signed an agreement in 1922 settling the terms of coöperation. However, business and sectional controversies delayed congressional approval until December 21, 1928, when Coolidge signed the Boulder Canyon Project Act. Hoover, who claims to have rewritten the law, made certain that the government would build the dam but not sell electricity directly to the consumer. "We provided that the power must be sold to the municipalities and utilities upon a fifty-year contract which would pay for the cost of the dam and the interest." The chief purchasers of power were the city of Los Angeles and the Southern California Edison Company, which would retail the electricity at state-regulated rates.

Congress appropriated \$165 million to build Boulder Dam. It was located near Las Vegas, Nevada, and planned to reach 730 feet in height, the tallest dam ever built. Among the benefits foreseen were an expansion of irrigation channels into the rich Imperial Valley of southern California, a new water supply to the fast-growing Los Angeles population, and a huge hydroelectric power supply that would stimulate the industry of the Southwest. Construction began slowly, but a live precedent had been set for the large-scale federally

constructed power projects such as the Tennessee Valley Authority plan.

The influence of certain utility companies upon politicians received national attention in the Senate disputes over seating William S. Vare, boss of the Philadelphia Republican machine, and Frank L. Smith of Illinois. Both cases involved the excessive expenditure of money in the primaries. Vare's campaign fund amounted to the modest sum of \$800,000, and it was claimed that, despite the fact that this was a Pennsylvania contest, out-of-state public utility corporations had contributed to it substantially. Frank L. Smith, chairman of the Illinois Commerce Commission, which supervised utility practices, received \$158,735, directly and indirectly, from Samuel Insull of the Commonwealth Edison Company; other utility officers also gave large sums to his campaign fund, which totaled over \$285,000. Collusion in the Smith case was hotly denied by the utility magnates. First Vare and then Smith was denied his seat by the Senate, which relied on its constitutional power to pass on the election and qualifications of its members. Editorial comment likened Insull's bipartisan attitude on contributions (he had aided both parties) to the position taken by Jay Gould, who in an earlier era had boasted, "In a Democratic district, I am for the Democratic candidate; in a Republican district, I am for the Republican candidate; but always I am for the Erie Railroad."

Farm Insurgency and the McNary-Haugen Bills

Harding, Coolidge, and Hoover, spokesmen for the eastern industrial and commercial wing of the Republican party, had the difficult task of placating the less prosperous middle western wing. They argued that what the farmer needed most was higher tariff protection of staple crops, easier credit terms, and more coöperative marketing. But they flatly rejected as socialistic any price-fixing schemes or price raising through crop restriction. However, by 1923 the old tariff and credit remedies began to pall in the minds of the wheat and corn farmers of the Dakotas, Minnesota, Iowa, and Kansas.

Agrarian discontent reminiscent of the wild Populist days had revived since 1915 when Arthur C. Townley of North Dakota had organized many Scandinavian and Russian grain farmers into his socialistic Nonpartisan League. These farmers had denounced the

Minneapolis millers and the railroads as thieves and demanded state ownership of the grain elevators, mills, and packing houses as well as stricter regulation of the railroads. By 1920, the rural radicals had infiltrated fifteen states and organized the Farmer-Labor party as the successor of the League. They proved strong enough to elect two Minnesota Senators, the governor of South Dakota, and many state and national legislators.

In the North Central states numerous protest organizations sprang up and found a national outlet in the powerful farm bloc led by Senator William S. Kenyon of Iowa and Senator Arthur Capper of Kansas. Enjoying a balance of power in both houses, they secured one concession after another for agriculture, especially for the staple-crop farmers. The Emergency Tariff of 1921 and the Fordney-McCumber Tariff of 1922 raised the duties upon farm imports to the highest level in history. Coolidge used his presidential authority to raise the duties still higher; but the tariff had little effect because the wheat and corn farmers were already underselling European exporters here.

In 1922 the farm bloc pushed through laws encouraging large farm coöperatives and expanding the federal land banking system but these did little in arresting the downward trend of farm prices. In 1923, the farm bloc secured the Intermediate Credit Act to bridge the financing gap between long-term and short-term loans. This provided a decentralized system of twelve federal intermediate credit banks to lend money at low interest to farmers during the interval between planting and marketing of crops. Such banks could lend money to coöperative marketing associations and rediscount farmers' notes. Unfortunately, the credit operations of these institutions proved rather modest in extent and failed to halt declining prices and farm bankruptcies.

Staple farmers now turned to the more drastic price-raising plan embodied in the various McNary-Haugen bills of 1924-1928. The originators of the central ideas in the bills were two executives of the Moline (Ill.) Plow Company, George N. Peek and Hugh S. Johnson, both later influential in the planning of the New Deal. They converted to their views the powerful American Farm Bureau Federation and perhaps two hundred more farm organizations. The Peek-Johnson theory, which later took the form of the parity price program, called for a new social philosophy insuring "equality for

agriculture." This was to be achieved by making the farm price of any commodity bear "the same ratio to the current general price index" that the prewar average of crop prices for ten years bore to the average general price index. To keep prices up to this high level, it would not be enough to rely on high tariffs for farm products or upon credit plans; it would be necessary in addition to set up a federal farm board to raise domestic farm prices by simply dumping all surplus crops abroad at whatever prices they would bring. Losses sustained in this program would be met by charging an "equalization fee" to farmers who sold their crops at the new artificially high price in the domestic market. This fee would cover the difference between the new domestic price and the world price.

The sponsors of the McNary-Haugen bill, Senator Charles L. McNary of Oregon and Congressman Gilbert N. Haugen of Iowa, did not include cotton among the protected crops, and as a result southern Congressmen joined the East in outvoting western and middle western Representatives when the measure was tested in the spring of 1924. A revised McNary-Haugen bill dropped the complicated parity feature of the "equality for agriculture" movement, not to be resurrected until 1933. There remained the central idea of raising prices by selling surpluses abroad (or by holding them in storage here) and the equalization fee payment by farmers. Cotton, which rose to surplus proportions by 1926, was admitted to the magic circle of protected staple crops, thus insuring the passage of the bill in February, 1927.

Coolidge then wrote one of his most vigorous vetoes in a message that the farm bloc was not strong enough to override. He denounced the plan as socialistic in principle. "Government price fixing, once started, has alike no justice and no end," he warned. "It is an economic folly from which this country has every right to be spared." The special encouragement of the great staples by the bill would "put a premium on one-crop farming" and discourage diversified agriculture; moreover, the false prospect of high prices would actually worsen the surplus problem by encouraging farmers to over-produce. Meanwhile, the burden of higher prices would fall squarely on the consumer. Finally, he said that he had been advised by his Attorney General that the bill was unconstitutional.

With the election of 1928 imminent, the political danger of a farm

bloc revolt over the McNary-Haugen bill seemed serious. Critics of the President failed to see any difference between the subsidy principle inherent in the tariff and that rejected in the bill. When Congress passed an amended McNary-Haugen bill in 1928 Coolidge promptly vetoed it again. Party leaders succeeded finally in splitting the insurgents and in preserving the farm vote in 1928.

Subsidies for the Merchant Marine

Shipowners were more fortunate than farmers in securing financial aid from the government, although these subsidies were not enough to encourage capital to embark upon the merchant marine business until 1928. Under the Merchant Marine Act of 1920, the United States Shipping Board was still operating numerous unsold ships. Between 1921 and 1928 the Board sold 1164 ships that had cost the taxpayer over a half-billion dollars for \$41.5 million, but the ships were becoming obsolete in competition with the newer European vessels. Serious charges of corruption were hurled at the Shipping Board. Secretary Hoover, who advised both Harding and Coolidge on this problem, agreed that the national defense required an American merchant marine independent of Europe but that the Shipping Board was too responsive to political pressures to maintain the most efficient routes. "The government can never operate commercial shipping as economically as private capital," he declared in a report of December, 1924.

Finally, in 1928 Congress passed the Jones-White Merchant Marine Act. Instead of offering direct cash subsidies, a plan which Coolidge rejected (though Hoover favored it), the law provided generous long-term ocean mail contracts and liberal construction loans to private owners up to three-fourths of the shipbuilding costs; such loans were made available at low interest from a special revolving fund of \$250 million. These mail subsidies had the unfortunate effect of encouraging the use of unprofitable southern ports in response to southern Democratic pressure. Few modern ships were built under this act until Hoover became President although the process of transferring government ships to private hands was greatly accelerated.

In 1929 President Hoover removed some of the weaknesses of the act by instructing his Postmaster General not to issue further mail contracts unless they assured the use of modern ships and commer-

cially desirable routes. Proudly, Hoover later noted in his *Memoirs*, "Whereas only 128,000 tons of efficient merchant ships had been built in the previous administrations, we built 254,000 tons in 1930, 386,000 tons in 1931, and 213,000 tons in 1932. . . . And a modern merchant marine was started—an economic and military necessity." Economists were not convinced that it was an economic necessity, nor that the military objectives were being realized in the most efficient manner. The policy of making private shipping a major industry, like our high-tariff policy, obviously injured Europe's capacity to buy American goods by depriving her of another source with which to balance her imports. If an American merchant marine had to be justified on military grounds, then the high tariff, at least, had to go.

The Hoover Succession

On August 2, 1927, Coolidge electrified the country by his statement, "I do not choose to run for President in nineteen twenty-eight." Although political experts considered his reelection a reasonable certainty, the President refused to be swayed from his decision by those who favored drafting him for a second term. The press was unconvinced by his avowed desire to leave public life. Possibly, as Claude M. Fuess, his biographer, has suggested, his failing health, which caused his death in 1933, was a factor. At any rate, the stock market dropped decidedly, reflecting the loss of a benevolent influence in business life.

The Republican heir apparent was obviously Herbert Hoover, who symbolized this period in a profound sense. His choice foreshadowed by success in the state primaries, he was nominated by the Republican convention in Kansas City on the first ballot. An independent and energetic Secretary of Commerce, he had escaped in large part the stigma attached to the members of Harding's scandal-ridden Cabinet. Although some eastern financiers would have preferred Charles G. Dawes or Frank O. Lowden, Hoover won the confidence of the people who advocated less government in business by his encouragement of trade association leadership in business and other measures calling for voluntary collective action. His record as an administrative expert forecast his future policy of "government by commission." In 1929 he stated his laissez-faire ideal: "Progress is born of coöperation in the community, not from governmental re-

straints. The government should assist and encourage these movements of collective self-help by itself cooperating with them." Like Coolidge, Hoover had an undramatic, even colorless, personality, despite his vivid record as a humanitarian in war-torn Europe and as head of the relief agencies who worked during the catastrophic Mississippi floods in 1927.

Hoover had contributed a great deal to the positive achievements of the Harding and Coolidge administrations, as he had to those of the Wilson era. As Secretary of Commerce he had waged a long and difficult but successful struggle with Congress on the question of federal regulation of radio communication in 1927, the outcome of which was the beginning of the scientific allocation of wave lengths and the strengthening of the principles of free speech on the air and of local control of broadcasting stations. He had encouraged the infant aircraft industry and promoted interstate compacts for reclamation and flood control. He had warned European countries against instituting production restrictions and price controls on raw materials essential to the United States, and had even threatened trade reprisals. But he was cool to all proposals, such as Senator Norris' plan embodying large-scale competition between the government and private electrical companies, which would put the government in business. On prohibition he stood for vigorous enforcement regardless of the unpopularity of the law, but his support was not as wholehearted as the *Anti-Saloon League* wished.

As Hoover's running mate the Republicans chose the relatively weak Senator Charles Curtis of Kansas. The platform spelled the doom of the McNary-Haugen bill, despite a vigorous fight for it at the convention in behalf of middle western farmers. Instead, a Hoover-sponsored plank was adopted which would create a Federal Farm Board to encourage coöperative marketing. In his acceptance speech Hoover declared optimistically, "We in America are nearer to the final triumph over poverty than ever before in the history of any land. . . . We shall soon, with the help of God, be in sight of the day when poverty will be banished from this nation." Once again, prosperity was the overwhelming factor presented to the electorate.

At the Democratic convention in Houston, Texas, Alfred E. Smith received his hard-earned reward of the party's presidential nomina-

tion, without serious competition, on the first ballot. The vice-presidential nominee was the liberal Senator Joseph T. Robinson of Arkansas. Discussing the prohibition plank of the platform, Smith said frankly that, while he would enforce the law as long as it remained in effect and would oppose the return of the saloon, he favored modification of the law. The farmers who had deserted the Republican party in an "On to Houston!" movement were promised an agricultural bill which would cope with the problem of surpluses along the lines of equalization fees. One Republican malcontent, Senator George Norris, was won over to the opposing party's cause by Smith's avowed friendliness to federal development of Muscle Shoals.

Hoover struck back at Smith's concessions to government in business by insisting, in his important address at New York on October 22, 1928, that the true issue was between "the American system of rugged individualism" and European doctrines of paternalism and state socialism. Economic freedom, he maintained, could not be sacrificed if political freedom was to be preserved. He said that while he did not advocate *laissez faire* to a "devil take the hindmost" extreme and would uphold economic justice, he subscribed to "decentralized self-government, ordered liberty, equal opportunity, and freedom to the individual." These principles, in contrast with those in effect in Soviet Russia, had achieved unparalleled success in bettering the welfare of the American people.

Smith proved pitifully vulnerable to religious bigots and attacks by the drys, particularly in the solid South and the rural areas of the North. The Anti-Saloon League, newly financed by a recent campaign for funds, joined rural fundamentalists and other organized dry groups in assailing him. Proponents of white supremacy in the South argued that Smith favored giving liquor to the Negroes. Worst of all were the vituperative attacks of anti-Catholic forces, which represented him as a pawn of the Pope, intent on abolishing immigration restrictions. So low did the tone of the campaign sink that Democratic regulars in the South publicized the fact that Hoover swore occasionally and frequently went fishing on Sunday.

The solid South broke ranks on election day, for Virginia, North Carolina, Florida, Tennessee, Texas, and the southern "border states" gave Hoover their electoral votes. Altogether he received 444

electoral votes to Smith's 87, the latter coming from the other southern states plus Massachusetts and Rhode Island, where the recent immigration of Catholics had affected New England's traditional support of the Republican party. On the basis of popular votes—Hoover, 21,943,000; Smith, 15,430,000—Hoover's victory was less impressive because of the urban vote and that of the southern states that remained Democratic. The Republicans swept both houses of Congress. The Socialist party won only 267,800 votes for its candidate, Norman Thomas.

When the reports on campaign expenditure reached Congress, it became evident that the 1928 campaigns were unique in the huge amount of money spent. Hoover's campaign cost \$9,433,604 and Smith's \$7,152,511, whereas the highest totals heretofore spent amounted to less than half the Republican expenditure. The single item of radio time, which both parties used daily, cost at least \$1,250,000.

The Business Expert in Government

The "Hoover bull market," as the newspapers called the postelection boom, cast a beneficent light over the new administration. The Cabinet, which someone has described as "neither stars nor third-raters," once again included Mellon, the acknowledged financial wizard who had originally been Harding's Secretary of the Treasury. In the Agricultural Marketing Act of 1929, President Hoover secured the enactment of the farm program he had promised during his campaign. This act created the Federal Farm Board, gave it a revolving fund of half a billion dollars, and empowered it to make loans through farm coöperatives and stabilization corporations; the latter were to help farmers keep their surplus crops off depressed markets until prices rose. Although these hopes of price stabilization at high levels were shattered by the depressing influence of mounting world surpluses as the great depression began, at the time Hoover seemed justified in his boast that the Agricultural Marketing Act was the "most important measure ever passed by Congress in aid of a single industry." Apparently it made unnecessary government price fixing and outright purchase of agricultural products.

In an attempt to solve the prohibition problem, Hoover called for "a searching investigation of the whole structure of our Federal sys-

tem of jurisprudence, to include the methods of enforcement of the Eighteenth Amendment and the causes of abuse under it." The resulting Wickersham Commission dwelt upon the futility of prohibition but refused to recommend repeal. Instead it brought about legislation replacing the Treasury's enforcement unit by a Bureau of Prohibition under the Department of Justice. The same Commission, which was expert in the field of criminology, laid the basis for a new Bureau of Narcotics, a Bureau of Prisons, and two new federal prisons. That the noble experiment of prohibition was doomed became clear in April, 1929, when Wisconsin joined New York and Maryland in repealing state enforcement laws. Other states followed this example.

As the summer of 1929 ended, it seemed as if the decade might end in a great triumph for business leadership in politics. Rarely had economic radicalism been at so heavy a discount. The Republicans supported a business program of light taxes, economy, and budget reform, although they were unable to prevent the scandals which grew out of efforts by oil and utility owners to gain special privileges denied by law. Welfare capitalism had indeed its enlightened exponents among business executives; but labor was weakened by the continuing open-shop movement with its company unions, the wide use of the labor injunction, and conservative court opinions which upheld the yellow-dog contract and restricted picketing. The overwhelming fact of the time, which gave the businessman his unique prestige, was a combination of prosperity and efficiency.

The return of *laissez faire* was only partial, for the older industries and businesses like railroading wished to keep enough federal regulation to prevent price wars. Actually the progress of technology and the growth of business consolidation insured the advance of big government. Although the Federal Trade Commission was weakened by appointees unsympathetic with the antitrust program, the Interstate Commerce Commission retained its rate-making powers over transportation. New federal agencies had come into existence: the Federal Power Commission to regulate water-power projects, their rates and financing; a Federal Radio Commission empowered to issue licenses to broadcasters and exercise other regulatory functions; and a new Bureau of Air Commerce under the Department of Commerce to

deal with the rapidly growing field of civil aviation. The farm marketing laws under Hoover required another powerful governmental agency, the Federal Farm Board. Prohibition enforcement itself became a mighty federal (and local) activity involving numerous agents, lawyers, and clerks. Boulder Dam, still in the blueprint stage, presaged an early invasion of the government into the power business. All this seemed anything but *laissez faire* and the passive state envisaged by Adam Smith and the early liberals.

Chapter 14

RETREAT TOWARD ISOLATIONISM: 1921-1929

Isolationists, Nationalists, and Pacifists

Harding, Coolidge, and Hoover chose Secretaries of State who spoke the language of internationalism, but they could do little against the powerful isolationists in Congress, who blocked any effective plan for world peace as a British snare to bring the United States into the League of Nations by a back door. Even the Franklin D. Roosevelt administration had its hands tied by the isolationists until the very eve of World War II. In the Senate Foreign Relations Committee, Chairman Henry Cabot Lodge kept his vigil over State Department internationalists; when he died in 1924, he was succeeded by the "irreconcilable" William E. Borah of Idaho, who had doubted even Lodge's ability to save the country from the internationalists. Associated with the oratorical Borah was the irascible Senator Hiram Johnson of California, spokesman for the anti-Japanese and isolationist groups along the west coast. Congress reflected the anti-British sentiments of the Irish and German voters and the old middle western fears of anti-agrarian plots by the Bank of England and the "international bankers." Postwar chauvinists were busily deporting radicals, restricting immigration, raising tariffs, and attacking suggestions that we cancel the Allied war debts owed this country.

Isolationists found it expedient to make occasional concessions to the century-old peace movement that reached its highest influence during the twenties. Middle-class intellectuals like John Dewey and

Nicholas Murray Butler, enlightened feminists and pacifists like Jane Addams and Lillian Wald, and a host of peace societies financed by philanthropists demanded disarmament, the outlawry of war, and our entrance into the World Court; but most of the peace groups had given up the fight to join the League. Taxpayers appreciated the economies promised by disarmament and several times it seemed as if Congress was ready to scrap most of the Navy without waiting for an agreement with other naval powers. Isolationists and pacifists felt encouraged by the collapse of Germany, Austria-Hungary, and Czarist Russia, which left this hemisphere with no visible menace from abroad—unless it was Japan. Once more, the basic foreign policies of the United States reverted to the limited strategic objectives of isolation from Europe, the open door in China, and the Monroe Doctrine (plus its Rooseveltian corollaries) in this hemisphere.

The new Secretary of State, Charles Evans Hughes, was one of the internationalist Republican wing that had organized the Committee of Thirty-One in 1920 to convince the voter that Harding's victory alone would assure America's entrance into the League. Yet they could not have been unaware of Harding's anti-League speeches and votes and of the fact that his victory would entrench Lodge, Borah, and Johnson in the Senate. Secretary of Commerce Herbert Hoover had also belonged to the same campaign committee, and his internationalism found considerable expression in his policies regarding foreign trade and investment. Neither Hughes nor Hoover should have been surprised to hear the new President announce that the League was dead. Hughes' staff even refused for a time to acknowledge letters from the League and discouraged Americans from accepting major posts with the Geneva body.

Inasmuch as the Senate had rejected the Treaty of Versailles, which included the League Covenant, a separate peace treaty was signed with Germany on August 25, 1921. The brief agreement ended the "state of war" but carefully reserved all treaty rights acquired by Wilson at Paris.

When the League continued to survive without the United States, Hughes began the practice of permitting "unofficial observers" to attend certain League committee meetings that dealt with non-political questions. Miss Grace Abbott, appointed in October, 1922, to head the Children's Bureau, was the first of an increasing number

of observers who were chosen to coöperate actively on such problems as white slavery, the opium traffic, poison gas, anthrax control, and the international regulation of the private munitions traffic. This policy of coöperation without political responsibility was only partly effective.

Defeat of the World Court by Isolationists

As a substitute for the League, Harding issued a statement prepared by Hughes urging Congress to bring this country into the Permanent Court of International Justice, popularly called the World Court. Hughes offered reservations that would assure the isolationists that there would be no legal relationship between the Court and the League. We offered to bear a fair share of the Court's expenses but insisted that this country should have an equal part in the election of judges.

Americans had long been vigorous champions of arbitration, and during the Hague Conference of 1899 Republican statesmen had played a major role in setting up the Permanent Court of Arbitration, a tribunal intended to be a panel of judges rather than a court. Elihu Root, who had been Secretary of State under Roosevelt and had for a long time urged the creation of a court with permanent judges, became one of the jurists who drew up the World Court plan in 1920. It provided that judges were to be elected by the Council and the Assembly of the League of Nations, thus assuring representation to large and small nations alike. Although the League was not ready to make the Court's jurisdiction over disputes compulsory, it granted the judges regular judicial power in cases of an international character and the right to offer advisory opinions on questions submitted to the Court.

Harding, a Republican President with considerable Democratic support on the Court issue, faced an isolationist onslaught within his own party. Once again stubborn resistance was marshaled by Senator Lodge as chairman of the Committee on Foreign Relations, aided by Senator Borah, who was vigorously opposed to the "League Court." The resulting struggle bore an ominous similarity to the fight over the League in 1919-1920. Opponents insisted that the British Empire would dominate the election of judges because of the six votes to which she was entitled through the inclusion of the Dominions in

the Assembly. Secretary Hughes replied that in the League Council, whose power in judicial elections was certainly not inferior to that of the Assembly, both the United States and Great Britain would be equally represented. President Harding, however, immediately retreated and was apparently on the point of utter capitulation at the time of his death.

Calvin Coolidge, who had been sympathetic to Wilson's League in 1919, showed greater vigor as President than his predecessor had displayed in attempting to bring the nation into the World Court. Both parties endorsed the Court in the campaign of 1924. The death of Lodge at this time caused only a temporary flurry in the isolationist ranks, for Borah filled the breach completely. Filibustering tactics delayed a vote on the Court until finally the administration resorted to the cloture rule, thus shutting off further debate. The Senate yielded only after five reservations, all of them involving far-reaching changes in the structure of the Court, had been voted. Most significant was the fifth, which was intended to remove such policies as the Monroe Doctrine or immigration exclusion from the purview of the Court. It provided that the Court should render no advisory opinion without the consent of all interested parties, nor should it, without our consent, offer such an opinion on any question in which we claimed to have an interest. Thereupon, on January 27, 1926, the Senate voted to adhere by a vote of 76 to 16.

Recognizing that these reservations meant a drastic revision of the Court protocol, the League members met in conference at Geneva, accepted all the reservations except the last part of the fifth, and invited the United States to confer with the League Council in order to define the scope and operation of that clause. Since this clause was the most essential of all, Coolidge and the Senate regarded this reply as a rejection, and the President accordingly announced that the issue was closed.

In December, 1928, Elihu Root offered a compromise which, in case of a specific disagreement with the League as to what constituted our "interest," would have allowed us to withdraw from the Court without ill feeling, but the Senate proved cool. Although unsuccessful in achieving the requisite two-thirds majority, both Hoover and Franklin D. Roosevelt favored the Court, and Secretaries of State Hughes and Kellogg later served as judges. But the isolationist

minority, suspicious of alleged international conspiracies to involve the United States in purely European wars, continued to hold firm; nor were they daunted by the pro-Court agitation of the American Federation of Labor, the Federal Council of Churches, the United States Chamber of Commerce, the American Bar Association, and numerous women's groups.

War Declared Illegal

Typical of the lawyer's approach—which Wilson had always distrusted—was the postwar campaign among various nations to attain peace by outlawing war. This scheme was originally intended to be based upon the authority of the World Court, but the Republican sponsors of the plan were willing, if necessary, to proceed without the Court. On April 6, 1927, the tenth anniversary of our entrance into the First World War, Foreign Minister Aristide Briand of France announced in a statement actually prepared by Professor James T. Shotwell of Columbia that France would sign any treaty with the United States to "outlaw war," that is, to renounce war "as an instrument of national policy." The latter phrase had been taken by Shotwell from the German strategist, Clausewitz, who held that war was an instrument of politics. Briand's statement aroused the peace societies to action and called public attention to the patient propaganda of Salmon O. Levinson, a Chicago lawyer, who had founded in 1918 the American Committee for the Outlawry of War. Levinson claimed that there were rules for war but no rules *against* war, and that if war were outlawed, all international conflicts would immediately assume a judicial form. While Wilson was President, Levinson urged the use of international force to curb lawbreaking nations, but after the defeat of the League he put his chief reliance upon an international supreme court whose judgments would be supported by public opinion alone.

Coolidge's Secretary of State, Frank B. Kellogg, and Senator Borah understood that the French were then hoping to tighten their postwar alliance system against a future resurrected Germany. France had been disappointed in 1919 when Wilson failed to secure Senate assent to an outright military alliance, but her statesmen were now willing to accept an agreement that assured the benevolent neutrality of the United States in any war involving France. Kellogg,

Borah, and the isolationists opposed such a treaty but were embarrassed by the public pressure brought by the peace societies. They extricated themselves from the dilemma by the clever expedient of adopting the Levinson-Shotwell idea on a global scale. Instead of accepting Briand's proposal of a Franco-American pact renouncing war—a procedure which seemed to involve a risk of complications—they offered a harmless multilateral pact to this effect (without any court attached) to be signed by all the principal nations of the world. The pact was even to earn the Nobel Peace Prize for Kellogg! As they anticipated, Briand had to conceal his disappointment by a show of public enthusiasm.

Thus the Pact of Paris was officially proclaimed by Hoover on July 24, 1929, after thirty-one nations had signed it. After an idealistic preamble, the signatories agreed to these provisions:

Article I The High Contracting Parties solemnly declare . . . that they *condemn* recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.

Article II . . . The settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

Although this seemed no stronger than a public pledge against sin, Senate isolationists felt apprehensive until they were assured by Kellogg that nothing in the treaty affected the sovereign right of self-defense. The amiable Secretary agreed with France and other powers that each nation would remain the sole judge of what self-defense meant. Only aggressive wars were illegal. By 1935 the Pact of Paris had become almost universal; it even included the nations that precipitated a second world war shortly thereafter.

One concrete result of the Pact of Paris was the fact that territorial gains made in violation of it were not recognized; however, this did not deter Japan from seizing Manchuria and North China. Secretary of State Stimson invoked the Pact in December, 1929, during the Sino-Russian clash over the Chinese Eastern Railway. This action came belatedly as the parties were about to conclude an agreement and provoked only an angry reply from the USSR. After World War II, Justice Robert Jackson fell back upon the Pact as a legal

justification for the trial of war criminals and aggressor nations at Nuremberg. However, the rise of the United Nations tended to supplant the Pact with a far stronger peace organization.

Isolating Russia

Among Borah's plans to promote world peace was the recognition of the Soviet Union, but his efforts were unavailing. One reason was the fact that on January 21, 1918, the Soviet government repudiated its financial obligations abroad. "Absolutely and without exception," read the decree of the Council of People's Commissars, "all foreign loans are annulled." Later, however, Russia modified her position when she offered to meet certain obligations if we granted her generous credits.

The original debt principal of \$192,601,297 owed the United States government consisted of a State Department loan of \$187,729,750 extended to Kerensky's anti-Communist government in 1917; \$4,465,465 was due for American relief supplies; and \$106,082 covered surplus war materials. Far greater in magnitude were the estimated claims, amounting to \$400 million, of American private investors, businessmen, and former residents whose property had been confiscated by the Soviets or destroyed during the revolution; among the heaviest single losers were the International Harvester Company and the Singer Sewing Machine Company. Most disconcerting to the United States were Russia's huge counterclaims for compensation for the villages in northern Russia and Siberia destroyed by our troops during the period of foreign intervention following the collapse of her resistance to Germany. The Soviet government maintained that it was difficult to understand why it must clear up debts, some of which had been incurred to put down the Bolshevik Revolution.

Although Wilson permitted American troops to play a minor part alongside the Allies in the military intervention against Soviet Russia, he refused to follow England and France in their active and large-scale support of counterrevolution. Nevertheless, the cost of the Archangel expedition in northern Russia was 244 Americans killed and 305 wounded; the direct financial cost reached \$3 million. The firm attitude of General William S. Graves prevented our occupation troops in Siberia from becoming militarily involved in anti-So-

viet hostilities. Liberals assailed Wilson's Archangel adventure as imperialistic and criticized his keeping of American soldiers in Russia long after the 1918 armistice.

The President cautiously maintained unofficial contact with the Soviet government, notably through William C. Bullitt, a State Department official. Although Bullitt reported growing stability of the new regime, he failed to convince Wilson that diplomatic recognition should be extended. Private American loans of some \$50 million were made to Poland in her war against the Soviet Union in 1920, and that same year Bainbridge Colby, Wilson's last Secretary of State, reaffirmed our policy of not recognizing Soviet Russia. He expressed doubt as to the permanence of the new regime, denounced its unrepresentative character, and insisted that it violated "every principle of honor and good faith"; furthermore, he said, the Russians were heavily subsidizing world-wide revolution by means of the Third (Communist) International. Thus Wilson's policy of not recognizing usurper governments, which had been followed with Mexico, was applied to Russia.

Soviet hopes that Harding would reverse this policy were quickly dashed, despite large economic concessions in Siberia granted the Sinclair interests and other business groups close to the administration. Secretary of Commerce Hoover rebuffed the plea made by the Soviet diplomat, Maxim Litvinov, for the resumption of normal business relations. Believing that Communist Russia was an "economic vacuum," the Secretary maintained that it was impossible for such a system either to produce a surplus for export or to purchase large quantities of imports. Secretary Hughes, concurring, went so far as to suggest that Russia alter her fundamental policies as a prelude to recognition by the United States. However, when severe famine descended on the Soviet Union in 1921-1922, Secretary Hoover, supported by a generous federal appropriation for relief, came to the rescue of the starving millions in the Volga region.

Although Harding had denounced the Soviet government as one based on "confiscation and repudiation," President Coolidge seemed to be more conciliatory. This attitude was evident in his first message to Congress on December 6, 1923, when he said that "whenever there appear works meet for repentance, our country ought to be the

first to go to the economic and moral rescue of Russia." This hope of reopening negotiations was killed by Hughes. Kellogg, his successor, refused to use any but the most indirect methods of communicating with the Soviet Union, and he worked actively to prevent her from being one of the original signatories to his prized Pact of Paris. Borah alone argued that the isolation of Russia was a hazard to world peace and that recognition did not imply approval of a nation's political and economic doctrines. But more than a decade went by before the United States recognized the Soviet Union.

The Washington Conference

Most ambitious of all the nation's peace enterprises during the twenties was the Washington Conference of 1921-1922, called to deal with disarmament and Far Eastern questions. The peace treaty with Germany in 1921 had incorporated the section of the Treaty of Versailles which called for Germany to disarm as a step toward general disarmament for all nations. But instead of arms limitation, a huge naval race began, aggravated by increasing Japanese-American tension in the Pacific. Warnings about the yellow peril appeared regularly in the Hearst newspapers and other bellicose sheets, and the fatalistic cry, "The next war will be in the Pacific!" was commonly heard. The near-completion of Japan's "monster" battleship, the *Mutsu*, was given tremendous publicity; popular belief held that it was the most formidable warship afloat. On the other hand, the American Navy was racing to fulfill its huge program, originally laid down in 1916, by which it threatened to eclipse even the British Navy in new, heavily armed vessels.

The Philippine Islands, it was repeatedly observed, would be defenseless against any Japanese thrust. There was fear that Japan would strike before 1923, for then her naval strength would begin to be offset by our new vessels. Japan herself, worried by our fleet's shift to the Pacific, was anxious to prevent us from fortifying our insular possessions. Since their victorious war with China in 1895, the Nipponese had been steadily cutting off our Pacific approaches to Asia and had acquired a chain of islands stretching from southern Sakhalin on the north to Formosa on the south, in addition to the strategic areas once held by Germany in the Pacific. Japan's conquest of Ko-

rea and her penetration into Manchuria and the Shantung peninsula opened new paths into the interior of China and threatened the open-door policy.

At the Peace Conference in 1919, Japan doggedly refused to yield economic control over Shantung, which she acquired from Germany in spite of Wilson's objections, but she agreed informally to restore this to China in the future. One of the chief concerns of the subsequent Washington Conference was to persuade Japan to fulfill her pledge regarding Shantung and to guarantee the territorial integrity of China, for the great industrial nations of the West still clung to the yet unrealized dream of "four hundred million customers" absorbing their products. Another major problem was the Anglo-Japanese alliance, which was increasingly resented by the Dominions of Australia, New Zealand, and Canada, inasmuch as their immigration policies favored Japanese exclusion. Premier Hughes of Australia voiced the insecurity felt by a thinly populated white nation in an oriental world dominated by the belligerent Japanese when he declared that his people welcomed news of every battleship laid down in American shipyards and regarded our naval might as a bulwark against the "oriental menace."

Borah introduced a Senate resolution in December, 1920, calling for an international conference to halt the naval arms race. Here again it was necessary to proceed outside the framework of the League because the United States was not a member. The incoming Harding administration acted after it learned that Great Britain would take the initiative in this if we failed to do so. British taxpayers were demanding relief from the expensive program of naval expansion in which the greater financial resources of the United States were pitted against those of Great Britain. American taxpayers likewise were anxious to lighten the heavy tax burdens of the war years. In fact Congress seemed ready to abandon the naval expansion program of 1916 without an international agreement.

The Washington Conference, which opened on November 12, 1921, was attended by the ranking diplomats of the five leading naval powers—the United States, Great Britain, Japan, France, and Italy—and of Holland, Belgium, Portugal, and China, all of which had important Far Eastern interests. The Senate was represented by Lodge, Oscar Underwood, a ranking Democrat, and ex-Senator

Elihu Root. Secretary of State Hughes, coming bluntly to the point, demanded that the construction of capital ships be abandoned and that the existing ratios of such ships among the naval powers become the permanent basis of naval strength. Avoiding generalities, he mentioned the specific vessels that he maintained should be scrapped.

The admirals fumed, but public opinion applauded this bold move. In fact, William Jennings Bryan, who was attending the Conference as a reporter, was so vociferous in his approval that there was general fear that he might make a speech. The Japanese were glum indeed at the naval—and psychological—inferiority forced upon them by the ratios—5:5:3:1.75:1.75—finally adopted for the United States, Great Britain, Japan, France, and Italy respectively. However, they managed to save their precious *Mutsu* by demanding an upward revision of the tonnage estimates for the other naval powers.

The five-nation Naval Limitation Treaty, signed February 6, 1922, provided for a ten-year naval “holiday” in the building of new capital ships, except for several clearly stated exceptions. After 1942 replacements would be permitted at the 5:5:3 ratio with the United States assigned an upper limit of 525,000 tons. A similar ratio of disarmament was applied to aircraft carriers. However, war vessels which did not exceed ten thousand tons and submarines remained unaffected by these restrictions—a rather serious omission considering the declining importance of battleships in comparison with large fleets of cruisers and submarines. France, intent upon reviving her once powerful fleet, had aroused a controversy over submarines and auxiliary ships that left these vessels outside of the scope of the disarmament provisions.

Article XIX committed the three Pacific powers, the United States, Britain, and Japan, to a plan for “freezing the status quo” in the Far East. No new fortifications or naval bases and no increase in existing defenses were permitted to American insular possessions in the Pacific, except for those adjacent to the coast of the United States, Alaska (not including the Aleutians), the Panama Canal Zone, and Hawaii. Although Japan and Britain accepted similar restrictions in part of their Pacific possessions, the practical result was to confirm the fact that Theodore Roosevelt had once observed, namely, that the Philippines were indefensible. Although the Navy Department demanded a strong defense of Guam and Manila Bay, it was overruled

by the politicians. Said Senator Lodge, "Congress would never consent to spend the vast sums required in adequately fortifying these islands." Isolationist and pacifist opinion seemed accurately reflected in Lodge's statement. Besides, strong Japanese bases in the mandated islands neutralized American defenses west of Hawaii.

With fewer battleships and a determination to avoid any expansionist policy in the Pacific, the United States was not illogical in agreeing to the non-fortification clause of the Naval Limitation Treaty. Not only did this country scrap twenty-eight vessels, of which thirteen were under construction, but Congress did little in the next decade to keep the United States up to the 5:5:3 ratio permitted her. Japan scrapped sixteen ships, six of them under construction, but her defenses were secure against American attack; even the small end of the 5:5:3 ratio did not handicap a power whose navy had only to serve the western part of the Pacific.

The United States gained in security through the Four-Power Treaty drawn up during the Washington Conference with Britain, France, and Japan and put into effect on August 17, 1923. Most important was the fact that this country, aided by pressure from the British Dominions, succeeded in terminating the Anglo-Japanese alliance that had been renewed in 1911. The rest of the treaty reaffirmed the nonaggression pledges of the Taft-Katsura and Root-Takahira agreements. Each country promised to respect the existing rights of the others in the Pacific; in case of any dispute, they would consult with each other as to the "most efficient measures to be taken, jointly or separately, to meet the exigencies of the particular situation."

On February 6, 1922, the same day that the Naval Limitation Treaty was signed, nine powers also signed a treaty regarding their interests in China. In this Nine Power Treaty Secretary Hughes was successful in securing Japan's assent (as well as that of the others) to the most emphatic pledge of the open-door-policy: the territorial and administrative integrity of China and the guarantee of commercial equality for all nations in that country. All promised "to refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly states, and from countenancing action inimical to the security of such states." This reaffirmed the

Lansing-Ishii Agreement of 1917 and was aimed at Japan's recent pressure upon China through the Twenty-One Demands that Wilson had fought. The creation of spheres of influence was forbidden. China agreed not to practice commercial discrimination against any nationality in the use of her railways, and a similar pledge was made by the other powers in respect to the railways that they or their nationals controlled in Chinese territory.

A separate agreement between Japan and China, reflecting the pressure of the United States and Britain, restored Chinese sovereignty in Shantung, although it left Japan in economic control of the province through the terms of a Japanese railway loan. The Washington Conference also established a commission to study the steps necessary to abolish extraterritoriality in China, an imperialistic practice which had permitted foreign lawbreakers to escape Chinese justice by appealing to courts of their own nation set up in China.

The immediate consequences of the Washington Conference were to dispel the war clouds of 1921-1922 and to effect great economies for the taxpayer amounting to billions of dollars for this country alone during the next decade or so. Japan's liberals were then content to save money by avoiding an armament race and to concentrate upon a foreign policy calling for new markets, especially in Manchuria and Korea, and equal access to raw materials, rather than adventurous territorial expansion. As a long-run war preventive, the disarmament conference was no more successful than its predecessors, the two Hague Conferences of 1899 and 1907. Once the Japanese had determined upon new objectives that could be won only by war, the disarmament technique was futile to restrain treaty violators.

The Failure of Disarmament

As anticipated, the inability of the Conference to restrict the construction of cruisers led to a naval race after 1922 in this and other auxiliary craft. The new 10,000-ton cruisers armed with heavy guns made the reduction in capital ships a hollow victory. Between 1922 and 1927 Japan laid down fourteen cruisers, largely of the heavy type, Britain thirteen, and the United States two; we had six more in the blueprint stage. Since we did not fully adhere to the League's disarmament program, President Coolidge on February 10, 1927, invited the five leading naval powers to another conference to be held

at Geneva in June. France, disappointed by the earlier conferences and still firmly convinced that security must precede disarmament, refused to attend, as did Italy, then wholly enthralled by Mussolini's imperialism. Since Japan at this time was primarily interested in land armaments in view of her plans for Asia, the three-power conference which met on June 20 developed largely into a contest between Great Britain and the United States over the type of naval disarmament to be adopted.

Our disagreement with Britain at the Geneva Conference sprang from the diverse defense needs of the two nations. Britain, who had many naval bases scattered over the globe, wanted at least seventy light cruisers, whereas the United States, with extremely few bases, needed a certain number of heavy cruisers that would be able to make long voyages without refueling. Coolidge charged publicly that the British made "a tentative offer which would limit the kinds of cruisers and submarines adapted to the use of the United States but left without limit the kind adapted to their own use." The Conference ended in a stalemate on August 4, whereupon Congress proceeded at once to pass record-breaking appropriations for naval expansion.

Two years later there was a repercussion of the Geneva Conference when a Senate investigation proved that certain leading steel and shipbuilding firms had been actively engaged in efforts to defeat disarmament during the twenties. The chief lobbyist was William B. Shearer, a former night-club owner who had been charged with income tax fraud. As an "observer" at Geneva, he engaged in vicious anti-British propaganda and issued a steady stream of biased news releases to American newspapers, especially the Hearst papers, which had subsidized him generously. He was provided with large sums of money with which to entertain key figures in our naval circles and in superpatriotic societies. In numerous pamphlets and articles written by him but signed by influential men, he assailed Hughes and Kellogg as traitors and claimed that the most grotesquely sinister conspiracies were being plotted against the defense of our land by "internationalists," radicals, college professors, movie magnates, labor leaders, and other "paid agents of Moscow." The shipbuilding interests spent no less than \$150,000 on lobbyists like Shearer who worked for the successful passage of the Jones-White Merchant Ma-

rine Act of 1928 that increased the federal subsidy for private shipping, particularly in the form of lucrative government mail contracts.

The munitions industry, like the steel and shipbuilding interests, was also directly opposed to disarmament. Increasingly since World War I the armament business had assumed the aspect of a monopoly with significant international ramifications. In view of the enlarged plants and heavy inventories when the armistice was signed, lobbyists were active in their attempts to thwart disarmament, particularly on land. Wilson wanted to abolish the private manufacture of arms, but the Allies refused. Although the Harding and Coolidge administrations rejected Wilson's proposal as unconstitutional, they advocated control of the international traffic in munitions, as opposed to control of manufacture. Despite successive conferences on the arms problem, no agreement was reached; the failure was attributed to the Republicans' unwillingness to have an international office for arms control established within the structure of the League.

The Japanese Exclusion Act

Relations with Japan grew worse during the twenties, in spite of our relief efforts in the earthquake disaster of 1923 and our heavy investments in the rebuilding and industrialization of Japan. One factor was the popular Japanese belief that the 5:5:3 naval ratio established by the Washington Conference was degrading. Another and more serious cause was the Japanese Exclusion Act of 1924 and the numerous earlier antialien land laws, all aimed primarily at the Japanese and based on the California model, which had been passed in the western and southern states. Segregation laws increased, particularly on the Pacific coast. During Wilson's administration exclusionists assailed the Japanese custom of proxy marriage by means of "picture brides," large numbers of whom were coming to the United States. They charged that Japan had connived in this way to evade the gentlemen's agreement restricting immigration and had violated the antialien land laws. Nor did Japan's agreement in 1920 to ban the issuance of passports to picture brides satisfy the exclusionists.

Congressmen from the Pacific coast introduced a bill excluding "aliens ineligible to citizenship." Although this did not bar aliens hitherto exempt under the gentlemen's agreement, in essence it

transferred enforcement from the Japanese government to our own, and put Japan on the same basis as other oriental nations. Secretary Hughes, anxious to avoid antagonizing Japan, especially since her officials were willing to make the required concessions as long as no formal exclusion policy was adopted, advocated the quota system, and pointed out that this would limit Japanese immigrants to only 146 each year.

An unfortunate statement by Ambassador Hanihara regarding the "grave consequences" which would follow any exclusion act was quickly interpreted in Congress as a "veiled threat," despite emphatic denials by both Hanihara and Hughes. The exclusion bill was thereupon passed promptly on July 1, 1924, although Coolidge signed it under protest as "unnecessary and deplorable at this time." Japan immediately issued a formal protest in which she assailed the act as constituting racial discrimination and violating the treaty of 1911. The Japanese people reacted violently, and everything American was boycotted. One student who committed hara-kiri in protest against exclusion became a national hero. Anti-American demonstrations raged, and the atmosphere was surcharged with suspicion. Liberalism in Japan was increasingly discredited as the chauvinists triumphed.

China and the Philippines

The resurgence of Chinese nationalism during the twenties, both under Chiang Kai-shek and under Communist influence, was aimed at the unification of China and the expulsion of foreign imperialism, and ultimately led to attacks on foreigners. A miniature Boxer Rebellion occurred on March 24, 1927, when a Chinese force attacked Nanking, killed half a dozen foreigners of various nationalities, and invaded several consulates before it was halted by the British and American gunboats that were protecting the evacuation of foreigners. An international force was organized to remove endangered foreigners in the Yangtse Valley. Chiang eventually agreed to a settlement that called for reparations, but he made it clear that the day of the unequal treaties was over.

The Chinese Nationalists frequently employed the boycott as a weapon against Japan and the Western nations; however, they accepted the United States because of her conciliatory attitude. Secre-

tary of State Kellogg declared in 1927 that we were ready to negotiate in order to abolish extraterritorial privileges and establish China's control over her tariff, but that we were uncertain with whom to negotiate. For this reason we would maintain a strictly neutral attitude toward the rival Chinese factions, and our naval forces would remain in Chinese waters solely to protect our nationals. The Nanjing incident was entirely settled by the spring of 1928.

Wilson's policy of early independence for the Philippines was reversed by the Harding administration, and the return of the civil service to Filipinos was slowed up. In 1921 President Harding sent General Leonard Wood and W. Cameron Forbes (the latter had served as governor general of the islands) to investigate the readiness of the Filipinos for independence. Their report was far from favorable, for it condemned the rapid influx of natives into important government positions under Wilson as harmful to efficiency, criticized the increasing number of government-owned businesses, and urged that the governor general's powers be strengthened so that Washington's decisions would be backed by the necessary authority. Unfortunately, General Wood's own administration as governor general from 1921 to 1927 was largely paralyzed by his feud with the native leaders.

President Coolidge, also interested in the problem of independence for the Filipinos, was advised by his investigator that few of the Wood-Forbes suggestions had borne fruit, and that economic reforms were needed to revive business in the islands. Upon Wood's death in 1927, the President appointed Henry L. Stimson, Taft's Secretary of War, as governor general. Stimson, an able administrator, conciliated the Filipino leaders—at least in part—by making his Cabinet responsible to the legislature and reestablishing a greater measure of home rule, such as had been enjoyed under Wilson. Independence, however, was still in the future, for the problem was complicated by our need for defense against possible Japanese aggression as well as by the economic instability of the islands.

Mexican Nationalism and American Businessmen

Mexico presented as perplexing a problem to Harding and Coolidge as she had to Wilson. Americans who had business interests there feared that the nationalist articles of the Constitution of 1917

would be enforced. For example, Article XXVII, which vested ownership of the subsoil in the national government, was retroactive and hence threatened mineral properties acquired by foreigners before 1917. The State Department refused to acknowledge the clause requiring Americans to be treated as Mexican citizens in respect to their property, for this waived their right to diplomatic intervention. The United States resented Mexico's harsh anticlerical legislation. On the other hand, suspicious anti-imperialists like Bryan and Borah insisted that Americans who did business abroad should not ask their government for special protection but should act at their own risk. Harding and Coolidge employed Wilson's policy of nonrecognition to demand from Mexico written guarantees against property confiscation.

But Mexico could point out during 1922-1923 that our treatment of her nationals who lived north of the Rio Grande, especially in Texas—the lynchings, mob attacks, and social discrimination—by no means indicated any fundamental respect for law and order. She refused to attend the Fifth Pan American Conference at Santiago, Chile, in March, 1923, giving as her reason the fact that she was not represented on the governing board of the Pan American Union. However, Mexican-American conferences were finally successful, in 1923, in effecting a truce which included a general claims convention covering the damages suffered by our nationals during the revolutionary decade of 1910-1920. Not only was recognition extended to the Obregón government, but President Coolidge saved it from being overthrown during the de la Huerta rebellion in December, 1923, by selling arms exclusively to Obregón.

The long-deferred legislation to carry out the intent of the revolutionary fathers of the Mexican Constitution was introduced by President Plutarco Elías Calles after lengthy correspondence with the United States. Kellogg, however, created an unnecessary crisis at this tense moment by the statement he made to the press on June 12, 1925: "The Government of Mexico is now on trial before the world." He also warned Mexico that the United States expected to be paid for any property taken illegally. The State Department stirred up another crisis in 1926 when it declared that "a steady stream of Bolshevik propaganda" was filtering into Central America from Mexico. When Calles' efforts to enforce the anticlerical sections of

the Constitution brought about violent resistance by the church party during 1926-1927, American Catholics were quick to denounce the government for its persecution of religion. The crucial oil laws went into effect on January 1, 1927; they compelled owners of oil lands who had acquired title before 1917 to exchange the titles for fifty-year leases. Practically all the oil companies complied except the Doheny-Sinclair-Mellon group. The crisis became even more serious when President Coolidge ten days later made the accusation before Congress that Mexico was shipping munitions to rebel troops in Nicaragua.

Coolidge as well as the nation as a whole had no real desire for war with Mexico; hence our policy at this stage was definitely conciliatory. Dwight W. Morrow, whom Coolidge appointed as ambassador to Mexico, proved liberal in his sympathies, despite his affiliation with the Morgan banking interests. Without abrogating Calles' legislation, Morrow was able to secure a compromise that protected American titles to oil lands acquired before 1917. He also was instrumental in effecting a temporary truce in the bloody dispute between church and state in which many priests had been executed as rebels, church schools and convents closed, and religious services suspended. Mexican public opinion was gratified by our ambassador's tact in arranging for Lindbergh to make a special flight to Mexico City in December, 1927, and Calles himself came to look upon the new ambassador as a close confidant. Largely through Morrow's efforts, a needless war was averted and the popular charge of economic imperialism was stilled.

Liquidating Imperialism in the Caribbean

To the liberal isolationists of the twenties, Caribbean policy was the acid test of imperialism. They charged that the State Department was the tool of Wall Street, serving it through marine interventions, New York City banking monopolies over native finances, and special favors to the swelling tide of American investors in the Caribbean. Taft seemed to have avowed his guilt by using the term "dollar diplomacy," and his severe critic Woodrow Wilson had ended up by outdoing him in his alleged imperialism.

Actually, the State Department, regardless of party in power, hewed to the far less sinister line of preserving hemisphere defenses

through the Monroe Doctrine, including the Roosevelt Corollary, which prescribed police action in disturbed areas near the Panama Canal. "Towards the government of the countries which we have recognized this side of the Panama Canal," declared President Coolidge in April, 1927, "we feel a moral responsibility that does not attach to other nations." State Department policy during the twenties was tempered by the fact that the defeat of Germany had removed one of the chief threats to Caribbean defenses that existed (so it was believed) in prewar days. In an era of comparative security from European attack, Presidents and their State Departments had trouble convincing public opinion that intervention by the marines was at all necessary. Anti-imperialists scoffed at the explanation that dollar diplomacy meant that the State Department was seeking to avoid military action whenever possible by directing our bankers and investors to strategic areas where it was feared that foreign economic penetration would endanger the vital approaches to the two-ocean canal.

In turbulent Nicaragua there was much more involved besides the fact that Americans owned \$12 million in investments, of which the United Fruit Company, a vigorous interventionist, held \$200,000, in addition to millions more invested in nearby countries. It was true that American investments in Central America soared to almost \$125 million in these years. Much more basic for our policy makers was the expectation that Nicaragua afforded the best alternate canal route in Central America and hence it seemed vital to discourage disorder in that area. Recurrent revolutions threw as two ruling cliques of Conservatives and Liberals alternated in power in a backward country of heavily illiterate and impoverished Indians and mestizos. Conservatives appealed to Washington for marine assistance and for a Platt Amendment on the Cuban model which would establish a protectorate over Nicaragua. Since the Monroe Doctrine forbade European intervention here, England, Belgium, Italy, and China formally requested the United States to protect its citizens and property in that area. Therefore, it happened that American marines dispatched by Taft in 1912 remained in Nicaragua until 1925, when it seemed that order had been regained; but after the Liberals opened a new Civil War in December, 1926, we sent warships and marines again to that country upon the invitation of President Adolfo Diaz and the Conservatives.

To end the bloodshed in Nicaragua, Coolidge sent there Taft's former Secretary of War, Henry L. Stimson, who arrived in April, 1927. Stimson did not find it too difficult to mediate between the factions who were locked in a stalemate. Both sides agreed to disarm upon the assurance that all rebels would receive amnesty and that the United States would guarantee fair elections in 1928. The election turned out to be unusually honest because the corrupt "repeaters" at the polls were eliminated by the requirement that all voters dip their fingers in a chemical stain provided them. However, a dissident Liberal faction under Sandino raised anew the standard of revolt and our marines found themselves deeply involved in a costly guerrilla war that anti-imperialists bitterly denounced as "Mr. Coolidge's war." Gradually, the marines were withdrawn, although a final detachment remained long enough to secure an agreement with Sandino and to supervise the election of 1932. Before leaving they laid the groundwork for a stable regime by organizing a nonpartisan native constabulary. While stability did not necessarily mean social justice for the plain people, it seemed the only practical alternative to the meaningless palace revolutions of irresponsible politicians.

Elsewhere in the Caribbean the Monroe Doctrine required no such military intervention as Nicaragua did. A working arrangement between the State Department and New York bankers provided for financial advisers in the Canal countries and helped to insure stability.

Cuba suffered severely from the depression of 1921 following the wartime prosperity and wild orgy of spending that earned Havana night clubs a fabulous reputation. Wholesale bankruptcies gave American investors an opportunity to own a large part of the total economy, especially the sugar interests. But this fact did not prevent Congress from imposing severe duties upon Cuban sugar under the Fordney-McCumber Act of 1922—a step which worsened the economic crisis in that country. American troops, sent by Wilson at the invitation of Cuba's President to avert revolution, were withdrawn in 1922; further efforts by the United States to encourage economic and electoral reforms were so severely denounced by Cuban politicians that the island was left alone to solve its own problems. Agitation grew for the repeal of the Platt Amendment.

While Puerto Rico experienced a small but vigorous movement for independence, most of her thoughtful citizens realized that separa-

tion from the United States might be economically suicidal. Her overpopulated lands required the outlets afforded by free trade with the United States. More serious was the demand for greater autonomy; this grew partly out of the unpopularity of some of the American-appointed governors. However, Congress divided over the proposal for a native-elected governor and Coolidge rejected it outright. Puerto Ricans had reason to be glad of the American tie in 1928, when one of the most disastrous hurricanes in its history killed hundreds and destroyed millions of dollars' worth of property. Federal aid and Red Cross assistance were major factors in the reconstruction of the country.

The desire to liquidate imperialism in the Caribbean faced a severe test in Haiti. There, Wilson's marines were still policing the country as they had since 1915. Sensational reports came to the ears of the Senate that marine officers and men were guilty of grossly mistreating the natives. Official investigations finally led to some salutary reforms and better race relations. Although Haitians resented the long occupation, there is little doubt that the American administration laid a solid basis for the country's future stability and prosperity. Modern hospitals, free clinics, trained native doctors, effective sanitary improvements and regulations, and numerous welfare agencies transformed the Negro republic from a backward Caribbean country to a healthful, more progressive nation. Education, hitherto the prerogative of an elite leisure class which revered the classics, became increasingly vocational and reached peasant and craftsman alike. Agricultural education made swift strides through a central teacher-training school and numerous rural farm schools. Banditry, the curse of Haiti, was reduced. The tax burden, which was lightened for the poorer classes, was further eased by the honest administration of the customs. Nevertheless, we failed to encourage sufficiently the native capacity for self-rule; hence dictatorship under American auspices remained.

Marine-occupied Santo Domingo, adjacent to Haiti, fared better, for the last of our marines left in September, 1924. Especially valuable in the organization of the new government were the services of Sumner Welles, the skillful diplomat who formerly had headed the Latin American Division of the State Department, and of Charles G. Dawes, who helped to formulate plans for a scientific budget and a civil service system.

Argentine Cattlemen and Reciprocity

South America continued to eye our Caribbean policy with distrust. The rapid infiltration of American investments since the First World War—by 1928 they totaled around \$2.25 billion—and the corresponding advance in our foreign trade offered us an economic role which threatened to eclipse Great Britain's historic importance in the continent. The Standard Oil Company of New Jersey and its affiliates and the great Chicago meat-packing firms of Swift and Armour were thoroughly familiar to the residents of Argentina, Uruguay, and their neighbors.

Argentina, aspiring to leadership on the southern continent, showed an increasing truculence toward American policies that was inspired by both real and fancied grievances. Her powerful cattlemen were smarting under the restrictive quarantine regulations imposed on Argentine cattle by our Department of Agriculture because of disease. The discriminatory duties of the Fordney-McCumber tariff aroused such resentment that in 1928, when the American tariff commission planned to send members to Argentina to study her costs of production as a basis for tariff rates, Señor Pueyrredón, the Argentine ambassador, declared that they would not be welcome.

Repercussions of this quarrel were felt at the Havana Pan American Conference that year, when Pueyrredón pointed out that cost of production as a tariff basis would wipe out the comparative economic advantages of every nation that was engaged in international trade. He called for the reduction of inter-American trade barriers and the enforcement of the cattle quarantine in a non-arbitrary fashion. When Hughes replied that for the Pan American Conference to advocate such a tariff policy would create opposition in the legislatures of each country concerned, Pueyrredón, who had the support of Mexico, Colombia, Bolivia, and Paraguay, immediately resigned, and the whole question of tariff reciprocity remained unsolved.

The Investor's Stake Abroad

Prosperous American manufacturers and investors of the twenties came to look upon the world as their oyster, with a complaisant State Department ready to do their bidding. On one occasion Assistant Secretary of State William R. Castle, Jr., reassured his audience of exporters in these words: "Mr. Hoover is your advance agent and Mr.

Kellogg is your attorney." The modest \$3.5 billion in foreign securities held by American investors in 1914 was offset at that time by the approximately seven billion owed to European holders of American securities. However, Europe's need for funds to finance the war had liquidated her holdings here, and with them our prewar position as a debtor nation. Moreover, the flotation of Liberty and Victory loans created a habit of investment among the lower middle class which helped to account for the huge volume of our foreign investments; in 1927 they totaled \$25 billion (including some \$11 billion in war debts to us). An estimated fifteen million Americans—roughly one in every eight—were actively concerned with foreign securities.

So eager were we to find an outlet for our savings that these funds sometimes failed to raise the standard of living abroad. They enabled dictators like Machado in Cuba and Mussolini in Italy to strengthen their position, and many extensive but wasteful public works were undertaken; such steps could only portend the eventual repudiation to which so many of these loans were subject. In May, 1927, Thomas W. Lamont, a member of J. P. Morgan and Company, warned against this indiscriminate lending in these words: "Naturally, it is a tempting thing for certain of the European governments to find a horde of American bankers sitting on their doorsteps offering them money. It is rather demoralizing for municipalities and corporations in the same countries to have money pressed upon them. That sort of competition tends to insecurity and unsound practice."

American industrialists, in their search for additional markets to absorb an increasing volume of production, frequently established branches in such countries as Canada; this enabled them to avoid paying duties and to take advantage of various local inducements. The value of these branch plants in foreign countries quadrupled between 1914 and 1929, reaching a total of \$1.8 billion at the end of the decade. Our motion-picture industry owned a \$10 million chain of theaters which distributed American films throughout the world.

The volume of foreign trade, which had averaged two or three billion per year before World War I, rose to an annual average of well over \$8 billion during the twenties. Agricultural and other raw materials, which had topped the export list before the war, tended to give way to finished products; cotton and petroleum, however, still remained at the head of the list and were closely followed by ma-

chinery and automobiles. Our leading imports—crude rubber, raw silk, coffee, and sugar—reflected the needs of a maturing industrial economy. But the free flow of goods was obstructed by the world-wide protectionism which was then on the rise. Thus our nationalist Fordney-McCumber tariff of 1922 was matched by “Buy British” campaigns and protective measures by the Italians. The United States was faced with the dilemma of slavishly adhering to the “favorable balance of trade” ideal—the excess of exports over imports that the mercantilists had deified—and at the same time becoming a creditor nation and acquiring an increasing proportion of the world’s gold supply, a situation which threatened the stability of foreign currency systems. The various measures adopted by protectionists in the United States (including federal subsidies to the merchant marine) practically blocked normal methods of repaying foreign debts.

When Hoover headed the Department of Commerce, it was active not only as a fact-collecting agency but also, through its agencies in forty-six foreign countries, as a promoter of American enterprise abroad. Secretary Hoover was influential in curbing American loans which would further foreign monopolies or would be used for “non-productive” purposes like militarism. Of the \$13 billion or \$14 billion of American investments abroad in 1928 (exclusive of the war debt), Europe held about \$4.33 billion; Canada, intimately bound to us by economic ties after the war, held almost \$4 billion; Central America and the Caribbean (including Mexico) held almost \$3 billion; and South America, \$2.25 billion. Our holdings in China and Japan, which had amounted to \$200 million in 1913, swelled to \$726.5 million after the war. Hordes of American tourists spent \$770 million in Europe and Canada in 1927 alone.

In the light of such economic stakes abroad, even the traditional protection of lives and property took on a new meaning which liberal critics somewhat hastily dubbed “economic imperialism.” During 1921-1922, Secretary Hughes took official cognizance of the investment situation by establishing a special policy in regard to foreign loans. Pointing out the increasing interdependence of international and national interests, he asked our bankers to give the State Department an opportunity to examine such loans informally before they were actually extended so that it could determine whether there were any political objections. This meant a form of supervision which

would discourage loans for revolutions, check monopolies in raw materials, and stop aid to nations like Russia and possibly others that had defaulted on their war debts. President Coolidge continued this policy, for he feared that otherwise a suspicious Congress would take the regulation of foreign loans into its own hands and perhaps discourage such investments altogether.

Business Experts and Reparations

Our economic expansion abroad during the 1920's made our traditional isolationism seem antiquated. The bitter political controversy over German reparations and inter-Allied debts was too obvious an obstacle to the free flow of American investments and credit for bankers to be content with a hands-off policy. American financiers and industrialists like Charles G. Dawes, J. Pierpont Morgan, and Owen D. Young played a dominant role in solving the reparations tangle; and it was American investors who indirectly made possible not only Germany's partial reparations payment but also Allied payments on war debts owed our government.

At the Paris Conference of 1919, Wilson had fought unavailingly against imposing heavy "punitive damages" upon Germany, whereas France and Great Britain wanted all direct war costs included, particularly pension costs. Although Allied estimates of reparations ranged from \$8 billion to \$120 billion, American experts believed that about \$15 billion would constitute a just figure. France wanted not only to restore her devastated country but also to destroy Germany's economic power. As Tardieu, her nationalist leader, observed, "We cannot accept the risk of German industrial revival, therefore we must compel her to pay mountainous indemnities." In Britain, where unemployment had become increasingly severe immediately after the war, official opinion veered to the policy advocated by the noted economist J. M. Keynes, that the best road to recovery lay in lightening the burden of Germany, who before the war had been Britain's second-best customer. German reparation payments in goods and services threatened to injure the peacetime markets of France and Great Britain while stimulating her own productive capacity.

Meanwhile, Germany's currency system, weakened first by the war and then by reparations, collapsed during 1921-1923, and her stock

of gold fled to safety abroad. The French broke with their British allies and exerted economic and military pressure upon Germany; this culminated in the French occupation of the Ruhr, which exhausted both nations. Germany had appealed to us to mediate the reparations dispute in 1921, but, after consulting France and Britain, we rejected the request. In December, 1922, Secretary Hughes suggested that reparations be taken out of politics and turned over to economic experts, but nothing was done until October, 1923, when President Coolidge made the same suggestion. Thereupon the Reparations Commission asked well-known economists to serve on it, one of the most important committees of experts being headed by Charles G. Dawes.

The famous Dawes Plan won laurels for its author, although Dawes gave Owen D. Young credit for its chief features. Dawes wisely avoided a clash with France by completely evading the problem of determining the grand total of reparation payments; instead, he worked in terms of annuities, which he maintained must not strain Germany's economic structure. To guard against defaulting, he set up in Germany machinery for the supervision and control of payments, with Owen D. Young as Agent General for Reparation Payments. The Dawes Plan eased the burden of the German government and of various state enterprises by bearing down on large industries which had wiped out their private debts through inflation; it also recommended a more democratic tax system. American investors subscribed to more than half of the loan of 800 million gold marks which Dawes obtained to protect Germany's gold reserve and to revive her credit abroad.

Inasmuch as the Dawes Plan had operated successfully, Allied creditors of Germany looked to the experts for the final liquidation of reparations. Accordingly, the Young Plan, named after Dawes' brilliant associate, Owen D. Young, was formulated in 1929. Under this plan, German reparation annuities were to run for fifty-nine years (until 1988) and to aggregate \$28.8 billion (including interest)—a relatively moderate sum in contrast to earlier figures. Financial supervision was exercised by the new Bank for International Settlements at Basel, which was to collect and disburse reparation payments. Because the Allies by now were apparently satisfied with any arrangement that covered their own indebtedness to the United

States, the Young Plan provided that if we reduced our claims on them, the annuities would be correspondingly scaled down. However, this plan had to be discarded within two years because the depression which shook the financial foundations of almost all Europe made it unworkable.

The Reparations-War Debt Link

A more stubborn problem for the financiers was the repayment of the war debt owed by the Allies to the United States; in 1920 it amounted to \$10 billion and interest payments were increasing steadily. Most of this debt represented credit extended by us during the war; the balance constituted credits we extended after the armistice for European relief and for the sale of surplus war materials there. Congress had made it clear at the time these debts were incurred that we expected them to be paid, and French statesmen had agreed. Subsequently, however, France pointed out that the various loans had been spent in the United States, whereas the heaviest sacrifices in men and materials had been sustained by herself, Russia, Great Britain, and Italy.

By 1920, France and England were claiming that all the Allied war financing had been interdependent because all the Allies' gold, much of it earmarked for purchases in the United States, had been pooled in Britain's vaults. Not only were both countries heavily in debt to us, but France was simultaneously in debt to England and a creditor of the rest of the Allies. Since German reparations were expected to offset these inter-Allied debts, the money owed us was firmly linked, in the minds of the Allies, with reparations. All-round cancellation, Britain maintained, was the only measure that would restore normal world trade.

Wilson, disavowing this attempt to link war debts and reparations, had pointed out that Congress had given him no power to revise or cancel any part of these debts. However, in his message on December 1, 1919, he had observed realistically that, since Americans had purchased most of the American securities that formerly had been held abroad and, moreover, were building a merchant marine, Europe was being deprived of the usual means of meeting international obligations. "Europe is in no position at the present time to ship gold," he said, "nor could we contemplate larger further imports of

gold into this country without concern." Secretary of the Treasury Carter Glass, with Wilson's support, laid down the official policy of regarding the war debt settlement entirely apart from reparations, in spite of the obvious relation between them.

The Republican platform in 1920 assailed Wilson for his laxity regarding war debts and pledged Harding to regularize debt payments. Both Harding and Coolidge accepted the Wilson-Glass policy but in addition advocated a high tariff which made it difficult for Europe to sell sufficient goods and services to make any debt payments. President Harding looked upon the debts as upon any ordinary domestic debt; all that was necessary was honesty on the part of the debtor. "The call of the world today," he said, "is for the integrity of agreements, the sanctity of covenants, the validity of contracts." President Coolidge disposed of the problem with his usual terseness when he said, "They hired the money, didn't they?"

Congress kept a vigilant eye on Secretary of the Treasury Mellon, for it feared that he would cancel a portion of the debts in order to free American investment channels abroad. Harding and the State Department used their self-assumed veto power on foreign loan issues to put pressure on the Allied nations that refused to make "reasonable efforts" to pay their debts to us. On February 9, 1922, Congress created the World War Foreign Debt Commission, whose members included Hughes, Mellon, Hoover, Senator Reed Smoot, and Congressman Theodore E. Burton. The Commission invited the debtor nations to present their proposals for funding their debts and promised that interest rates would be scaled down on the basis of "capacity to pay," a standard that the major powers resented.

Great Britain, whose \$4.6 billion debt made her the heaviest debtor, led the procession to Washington. However, the determination of the French, who likewise owed us over \$4 billion, to collect substantial reparations from Germany before they paid us anything led to bitter recriminations in French and American newspapers. Some Continental newspapers wounded our sentiments by caricaturing Uncle Sam as "Uncle Shylock," and others asked, "Who won the World War?" The French finally agreed in 1925 to negotiate directly with us regarding principal and annuity payments, but negotiations dragged along until the end of the decade before any settlement was made. Actually the Allies continued to follow the policy of making

payments to the United States only with funds received from German reparation payments. Consequently, when the depression dried up the stream of American investments that was pouring into Germany, inter-Allied debt payments dwindled to mere "token" payments.

The Rogers Act: A Career Foreign Service

Even isolationists could not ignore the fact that foreign affairs had become too technical to be handled by untrained men chosen hastily through party patronage. When Hughes became Harding's Secretary of State, he found himself surrounded by rich young men who could afford to work for the low salaries and uncertain promotion that went with a State Department post. In 1924 Congressman John Jacob Rogers of Massachusetts collaborated with Hughes in reforming the foreign service by offering conditions attractive to the best minds.

The Rogers Act introduced a strict merit system based upon a searching examination of candidates, with additional tests for promotion through nine grades. Salaries were substantially increased together with other inducements for newcomers such as an adequate retirement system. To avoid needless duplication and conflict between the consular and diplomatic service, both were combined within a new American Foreign Service, thus making available experts on commerce or politics to all branches of the State Department. Although the Rogers Act helped to democratize the Foreign Service, it could not prevent the miserable embassy appointments made by Presidents for patronage reasons, but it created a reserve of bright young men able to remedy the errors made by incompetents at the top. Furthermore, Presidents tended to give increasing preference to career men even in filling the highest diplomatic posts.

The twenties were of course not rigidly isolationist and were certainly more innocent of imperialism than the prewar era. With the temporary disappearance of any threat from Europe, statesmen like Hughes and Sumner Welles went far to liquidate imperialism in the Caribbean by at least initiating and sometimes completing the withdrawal of marines. No administration at Washington from the First to the Second World War was able to win over the dominant isolationists to the relatively safe World Court, let alone the League of Nations. Nationalistic isolationists like Lodge, Borah, and Johnson

were pleased with disarmament conferences because they implied further detachment from Europe and Asia and it cost nothing at all to sign amid a great fanfare the Pact of Paris outlawing war. But the nationalists were resolved that no concessions should be made to the international-minded bankers who would have liked to see Europe's hopeless war debt to us canceled (as it had to be anyway) and our tariffs lowered to permit Europe to live and to meet ordinary trade and investment balances.

More serious, from the standpoint of the generation that fought World War II, was the fact that Congress prevented any statesman from using the newly won international power of this country to cooperate with England and France in deterring prospective aggressors. Finally, those nationalists who permitted their racial prejudices against Japan to take the form of a total immigration exclusion act were not without some responsibility for the resurgence of Japanese militarism and the tragedy of Pearl Harbor.

Chapter 15

HOOVER AND THE GREAT DEPRESSION

Collapse

President-elect Herbert Hoover assumed office amid the warm plaudits of his countrymen, who hailed him as a brilliant liberal who had earned his position by his distinguished humanitarian and administrative services for over fifteen years. Yet, long before his term ended, he had endured greater ridicule and more bitter attacks than most of his predecessors. The less-talented Calvin Coolidge staved off a second term with difficulty; and even Warren G. Harding, who died before the Teapot Dome scandal broke in force, was eulogized in terms which compared him with the martyred Lincoln. Not a little of whatever substantial achievement had been made during the two preceding administrations was due to the ingenuity and foresight of the Secretary of Commerce under Harding and Coolidge, for it was he who was responsible for major ideas of farm relief, labor reforms, increased business efficiency, and the economic aspects of our foreign policy. Hoover's personal tragedy was in part due to the worst depression in the history of capitalism. Never a member of the reactionary wing of the Republican party, Hoover nevertheless came to be identified by the liberal press with the selfish and unintelligent Bourbonism of a dying social order.

Only the most rabid partisan actually made Hoover the culprit for the great depression. Whatever his shortcomings, it must be recalled that even his able successor failed to end the depression wholly until gigantic defense and war orders restored prosperity by 1941. Modern

capitalism had eliminated the dreaded famines of the past which still haunted feudal countries, and raised the standard of living greatly, but it had yet to prevent such chronic breakdowns as those of 1819, 1837, 1857, 1873, 1893, 1921, and 1929. Hoover, as Secretary of Commerce, had been keenly interested in the fluctuations of the business cycle and one of the first to suggest officially, as he did in 1921 to President Harding, that the federal government take responsibility for dealing with depressions. He had then recommended that private concerns coöperate with local and national government agencies in deferring major projects during good times until recessions or depressions occurred, when costs would be low and unemployment serious; but businessmen resisted this idea as impractical.

One basic cause of the depression was clearly international. World War I and the economically unsound peace treaties had disrupted foreign trade by breaking up the economic unity of the large Hapsburg and Ottoman empires; Germany had been burdened with such heavy reparations as to impede her recovery and prevent normal trade with her prewar customers. Tariffs, encouraged not a little by American example, and currency instability made it even more difficult for Europe to live. The Communist Revolution, which almost isolated Russia's economy, made it impossible to restore the prewar trading system. When the central European banks collapsed in 1931 and dragged England off of her historic gold standard, the ensuing scramble for survival among the nations had an adverse effect upon American exports and investments. This catastrophe did a great deal to reverse whatever recovery gains Hoover had been able to make since 1929.

The United States did not precipitate the world-wide depression, although the severity of the crisis here—proportionately worse than elsewhere—had a bad effect upon the rest of the world. Among those countries which felt the depression before we did were Australia, Germany, Bolivia, Brazil, India, and Belgium; another half-dozen major nations had entered the recession stage before the American stock market crash of October, 1929. In this country the purchasing power of millions of Americans was severely restricted for years in such weak sectors of the otherwise prosperous economy as staple farming, the sick coal industry, and the uncertain textile business. Real estate and the construction industry suffered their collapse in

1928. One catastrophic factor that could have been controlled by following the best European banking practices was the wholesale bankruptcy of innumerable financial institutions, many of them basically solvent but unable to meet the panic demand of so many thousands of frightened depositors. Bryan's suggestion of 1908 that the federal government insure bank deposits had been rejected by both parties long before as socialistic. As a result, the depression was permitted to reach an unnecessarily acute emergency level because hundreds of thousands of families lost their lifelong savings.

The immediate event that heralded the great depression was the stock market crash. Hoover and many economists blamed the Federal Reserve officials for adopting an easy-credit policy in the mid-twenties that diverted vast funds into the stock market at a time when no parallel expansion of production was taking place. The bull market of 1927-1929 was satiated with the investments of people who enthusiastically bid up the price of stocks without analyzing the earning record of the companies involved. Exaggerated prospectuses, unchecked by law, pictured fancy air castles for the investor. The accepted practice of using small margin payments for stock multiplied the scope of frenzied speculation. By October, 1929, brokers' loans passed the unique \$8.5 billion mark. Even as early as Hoover's inauguration in March it seemed to be too late to stop the catastrophe in the making.

By September the warnings of the experts increased, although Professor Irving Fisher said reassuringly, "There may be a recession but not anything in the nature of a crash." Roger Babson, the noted business forecaster, was pessimistic and asserted that a major break was due; so was the president of the American Bankers' Association, who called for a check on credit expansion.

On October 3, the stock market entered a severe tailspin. Temporary rallies thereafter could not stem the collapse. On the twenty-fourth, the anxious public watched John Pierpont Morgan try to halt the panic, hopeful that his legendary might would master the storm, just as his father was believed to have conquered panics in the past; but he failed and John D. Rockefeller, himself, could do no better. The worst selling panic came on October 29, when frightened investors dumped over 16,400,000 shares for whatever they would bring, an all-time record for market transactions. Thereafter, despite

a certain amount of whistling in the dark, it was only a matter of a brief wait until the entire economy would reflect the break in stock market values.

Hoover and the Emergency

In 1929 the man in the White House seemed better fitted than anyone else in public life to deal with the gathering economic storm. Even school children knew the story of his humanitarian action in distributing relief to millions of starving Belgians and refugees during the war, his peerless record at home as Food Administrator, and his postwar relief operations in Russia (an achievement that the Communists had already begun to belittle) and elsewhere in Europe. Particularly fresh in the public mind was the well-known account of Hoover's successful measures in coping with the catastrophic Mississippi River flood of 1927.

These experiences undoubtedly strengthened Hoover's belief that no emergency was too great for volunteers, private coöperation, and the ingenuity and efforts of "rugged individualism." To him socialism was anathema in any form and government centralization, even without socialism, seemed another step on the road to tyranny. Nevertheless, he had never agreed with Harding and Coolidge in their preference for *laissez faire* and federal inactivity. His record as Secretary of Commerce had demonstrated an enthusiasm for such engineering projects as Boulder Dam—so long as the government did not go directly in the business of selling electrical power. In the spirit of nineteenth-century liberalism, he abhorred price fixing, deficit financing, unbalanced budgets, and monopolies, though he believed in high tariffs and in extensive marketing support to farmers. He feared the enervating effect of the European "dole" system upon the individual's initiative, self-reliance, and other adventurous qualities which he felt had given this nation its successes. Still, his humanitarian record proved that he spoke truly when he denied that he was a Darwinist with a fatalistic belief in the survival of the fittest.

The current theories of professional economists in Hoover's day offered him little aid. Even the good advice to cut tariffs was scarcely a full-blown program to end the depression; the high tariff remained as a basic bipartisan policy decades later despite some concessions to freer trade under Hull. Right-wing economists were primarily con-

cerned with balancing the budget and permitting nothing to interfere with the "natural" tendency of prices to seek a profitable level. The unorthodox economists offered various panaceas ranging from inflationist Bryanism to the mysteries of technocracy. Both Hoover and his successor reflected the uncertainties that grew in part out of the shortcomings in economic theory.

Relying upon his oft-tested technique of conference and persuasion, Hoover called several White House conferences with the leading industrialists and union officials in November, 1929. Behind closed doors he made it clear that he did not feel as optimistic as his press comments suggested and that the crisis was much more serious than an isolated stock market crash. Heavy business liquidation lay ahead; he urged that the industrialists pledge themselves to increase their plant expenditures and that "the first shock must fall on profits and not on wages." Industrialists promised to increase such construction as might be useful by \$2 billion during the next year. The American Railway Association actually raised plant expenditures by \$300 million. Henry Ford announced a policy of raising wages and cutting prices—provided that his competitors did so. However, this voluntary arrangement was carried out only to a limited extent.

A similar White House conference was held with William Green, John L. Lewis, and other influential labor leaders. They pledged the American Federation of Labor and the largest independent unions to withdraw current wage demands and strike plans. Labor, facing a lean future with no definite program of its own, accepted Hoover's plans at this time. In his annual message to Congress of December 2, 1930, Hoover declared that he opposed any legislation which put the government in business. "Economic depression," he said, "cannot be cured by legislative action or executive pronouncement." Nevertheless, he proposed and carried through emergency expenditures for public works that more than doubled the amounts spent for the 1929-1930 fiscal year—well over a half-billion dollars.

The President aroused all local and private agencies to make a concerted attack upon unemployment. Volunteers advertised a "give-a-job" campaign and "block aid" for the unemployed. City commissions were set up to provide local work projects for the jobless. In October, 1930, Hoover set up a federal Committee for Unemployment Relief to coördinate the work of national and local welfare

agencies. The state governors, at his instigation, pledged their best efforts to promote large-scale state relief and public works projects. In every way possible the President resorted to expedients that would make unnecessary direct federal relief to the individual, for he held that relief was the sole responsibility of state and local governments and the usual private agencies. Otherwise, he and his followers saw the specter of a centralized dictatorial state controlling the daily life of the individual.

Unemployment in the cities grew rapidly; those who could escaped to the farm to live on a semi-subsistence level. Hoover's own census of the jobless—a pioneer statistical effort to measure this type of situation—showed the full seriousness of the nation's plight. His Department of Labor estimated that some four and one-half million people were idle at the beginning of 1931, a figure close to the unemployment peak in the depression of 1921. Bread lines lengthened in the cities, the relief rolls swelled eventually to care for eighteen million men, women, and children, and police chiefs grew apprehensive over possible violence. Already, Communists were organizing street demonstrations and "unemployed councils" to organize the unemployed; their defiant placards had the obvious aim of creating a revolutionary temper in the minds of the desperate, who felt that they had little to lose. The worst of this situation came in 1932 after the full impact of Europe's disturbed economy reached this country.

Private welfare agencies which sent representatives to the National Conference of Social Work in 1931 had already made it clear that case work was intended for personal maladjustments, not for mass relief of the able-bodied. The next year welfare agencies reported that their funds were giving out and that many were no longer functioning. Municipal relief agencies stretched their slender appropriations to the utmost. New York City, with innumerable relief families, was then paying \$2.39 a week to take care of an entire family. Some agencies provided only food, and no money for rent, electricity, gas, or medical services. Racial discrimination made matters much worse in the South for Negroes and in the West for Mexican-Americans. Under these circumstances Hoover had to make major departures from his philosophy of voluntarism and to provide heavy federal relief and an entire array of federal agencies to deal with distress.

Hoover and the Democratic Opposition

Democratic leaders in the congressional campaign of 1930 adopted the strategy of placing the responsibility for the depression upon Hoover, Coolidge, and Harding. They captured the House by a narrow margin of five and dominated the Senate by allying themselves with several progressive Republicans. Speaker of the House John Nance Garner of Texas planned the congressional assault upon Hoover with victory in 1932 very much in mind. In later years, after he had broken with the New Dealers, Garner frankly declared, "I fought President Hoover with everything I had under Marquis of Queensberry, London prize ring and catch-as-catch-can rules." Yet he added that he thought Hoover "the wisest statesman" on world affairs and perhaps upon domestic problems also.

The bitterest quarrel between Congress and the White House centered upon the issues relating to direct federal relief and public works. Garner's faction demanded direct federal relief as alone adequate and also a vast public works program to be set up quickly regardless of the inherent utility of the project. At the same time Congressmen seemed far more eager to pass appropriation bills than to raise more revenue. The result was an unbalanced budget which both Garner and Roosevelt flatly condemned during the campaign of 1932. Hoover suggested a federal sales tax, except upon food and cheaper clothing; but the Democrats, following the advice of Governor Roosevelt, attacked the sales tax as inequitable and recommended a raise in the lower income tax brackets. This countersuggestion created such an outcry that the Democrats dropped the idea.

Hoover rejected his opponents' proposals for a multi-billion-dollar plan for "made" work such as new post offices, roads, and river and harbor improvements which did not provide continuous employment and involved expensive maintenance costs. It seemed sure to throw the budget out of balance without any real compensation. However, he yielded eventually to bills of this type totaling \$2.3 billion. He argued particularly for heavy federal loans for productive "self-liquidating" income-producing projects; these included toll bridges, toll tunnels, power dams, city waterworks, and slum clearance.

Congress agreed to set up a special federal lending agency, the Reconstruction Finance Corporation, as the chief engine of economic

recovery. The RFC was a super-banking agency, whose extensive functions must be carefully considered in connection with the banking crisis. It set the government up in business on a scale scarcely matched even in World War I. Out of its \$1.5 billion lending fund earmarked for productive projects, as Hoover later pointed out in his *Memoirs*, grew such useful projects as the unique San Francisco Bay Bridge, New York City's Jones Beach, Los Angeles' elaborate water supply system extending from the Colorado River, and the Mississippi River Bridge at New Orleans. Unfortunately, even these projects, like their successors in the Roosevelt era, proved insufficient to fill the tremendous vacuum of unemployment left by the inability of industry to absorb the men and women it had been wont to hire in previous years. The same RFC which made loans for construction was empowered in 1932 to make short-term loans of \$300 million to the states for relief. The President satisfied his scruples that this was not the same as federally administered relief going directly to the individual. Congress waited until the next administration to remove such restrictions on relief.

Although labor's organized strength dwindled under the impact of unemployment, the White House coöperated with congressional liberals to pass an important anti-injunction law. This was at a time when the worst of the old antilabor abuses was being revived and men were eager to hold their jobs under any conditions. The Clayton Act passed by Wilson as Labor's Magna Carta had proved very disappointing under court tests, and the injunction had returned to its former strength of prewar days. In March, 1932, Hoover signed the Norris-La Guardia Anti-Injunction Act. This measure did not altogether eliminate federal labor injunctions, but it went far in this direction by prescribing a much stricter procedure. To assure a worker of "representatives of his own choosing," the law condemned all coercion by employers or interference with collective bargaining. Specifically, the yellow-dog contract, in which antilabor employers compelled workers to promise never to join a union, was declared unenforceable in the federal courts. No union officers or members were to be held responsible in any federal court for the unlawful acts of individual officers, members, or agents, except upon clear proof of actual participation or authorization by the persons charged. While no special supervisory or investigative bureau was set up, as was later

done in the Wagner Act to assure the right to belong to a union, definite progress had been made since the chaotic prewar years.

The Bonus Expeditionary Force

In 1931 the American Legion campaigned for a new "bonus" compensation law for the veterans of World War I; pressure upon Congress brought quick results. Mindful of the scandals and sheer wastefulness that had beset the soldiers' pensions of the past century, Congress in 1917 tried to offer an alternative to a system of lifetime pensions for every veteran and for all dependents. The War Risk Insurance Act of that year offered disability compensation, a subsidized life insurance system, maintenance for veterans' dependents, hospitalization, and rehabilitation. This did not prevent the successful drive of the Legionnaires in 1924, when they convinced Congressmen that they ought to override President Coolidge's veto to pass the World War Adjusted Compensation Act. Through this law, veterans who had served more than sixty days could receive a bonus of \$1.25 for each day of overseas service and \$1.00 for each day of home service. In addition, the veteran was entitled to a twenty-year paid-up endowment insurance certificate worth about \$1000 at maturity. The insurance system alone pledged the taxpayers to give \$3.5 billion at the date of maturity.

Democratic leaders urged that an excellent way to combat the depression was by a large expenditure for the immediate redemption of the veterans' policies. When it appeared that Hoover would veto such a bill and that the bonus forces lacked the votes to override the veto, they turned to a compromise Bonus Loan bill sponsored by the American Legion. This measure became law after Congress repudiated Hoover's veto by an overwhelming vote. It provided that the loan value of the bonus certificates be doubled and greatly reduced the interest rate charged. By 1932 American expenditures for the veterans exceeded the combined totals of Britain, France, and Germany.

Hoover, like Harding, Coolidge, and F. D. Roosevelt, opposed the Legion-backed movement for heavy veterans' subsidies beyond those in effect. He argued that the Bonus Loan bill would cost another \$1.7 billion and go to men of whom a large proportion stood in no need of relief. Pointing to his record upon aid to veterans, he showed that

he had outdone other Presidents in generosity, particularly by increasing disability allowances and virtually unlimited hospitalization benefits, and through vocational training and placement.

Most humiliating to him was the "bonus march" to Washington during the late spring and summer of 1932. About eleven thousand men, many with their families, arrived in the spirit of Coxey's Army to demand the immediate payment of the full cash value of the bonus certificates. They milled around the Capitol and settled down in an improvised shantytown just outside the city; but others occupied some of the vacant federal buildings on Pennsylvania Avenue. Hoover acted quickly by persuading Congress to appropriate \$100,000 to send the men back to their homes. Six thousand thereupon left the city.

Meanwhile, as federal investigators discovered and later testimony proved, Communists captured the leadership of the bonus marchers—only one-third of two thousand cases studied turned out to be veterans of this or any other war. John T. Pace, a Communist who had displaced the non-Communist head of the marchers by a campaign of vilification, testified repentantly in 1949 before Congressmen: "I was ordered by my Red superiors to provoke riots. I was told to use every trick to bring about bloodshed in the hope that President Hoover would be forced to call out the Army. . . . I was told that Moscow had ordered riots and bloodshed in the hope that this might set off the revolution." This blueprint for civil war failed. On July 28 the District of Columbia police tried to remove the bonus marchers from all government buildings but they met with defiance. The police commissioner called upon Hoover for Army assistance. The President then ordered General Douglas MacArthur to complete the evacuation of the capital. No one was killed, though many were injured in a stampede that followed upon the advance of the cavalrymen upon the crowd.

The entire incident of the Battle of Anacostia Flats, as the affair was publicized, injured Republican chances in the campaign of 1932. Partisans pictured Hoover as a cold-blooded reactionary indifferent to the sacrifices of the war veterans. Roosevelt was to fight unavailingly against the soldiers' lobby, though he managed in 1933 to eliminate purely nonservice disability claims for pensions. But in 1936 Congressmen overrode his veto of a new bonus bill that granted

in substance the demands of the Bonus Expeditionary Force of 1932: Veterans were permitted to exchange their bonus certificates for easily redeemed interest-bearing bonds.

Superprotectionism: The Hawley-Smoot Tariff

Hoover had a spirited congressional battle on his hands when his party attempted to revise the tariff of 1922 upward. As a lifelong internationalist, the President was opposed to extending protection except for certain farm products; in this he was supported by Borah. When a special session of Congress was called in 1929 to deal with the tariff and with farm legislation, the extreme protectionists, under the leadership of J. R. Grundy, president of the Pennsylvania Manufacturers' Association, immediately began a fight to convert moderate revision into "prohibitive superprotection," as Congressman Cordell Hull of Tennessee put it. Borah's Republican insurgents in the Senate, including young La Follette, Norris, Brookhart, and Nye, cooperated with the Democrats in trying to prevent the industrial states from winning new tariff concessions, but were unsuccessful. The Democratic assault on protectionism in the House was led by Cordell Hull, who denounced the "continuous and corrupt political partnership between tariff beneficiaries and dominant Republican leadership." He pointed out that, except for Spain's tariff rates, the existing Fordney-McCumber tariff imposed the highest general rates in the world, and he predicted economic retaliation from abroad.

Both Hoover's moderates and the Democratic minority met defeat on the tariff issue. The Republican Old Guard won a sweeping victory in the Hawley-Smoot Act of June, 1930, which gave generous protection not only to farmers but to many industrialists as well. Although more than one thousand economists in the country petitioned to veto the bill, the President decided to sign it. Like Taft during the Payne-Aldrich tariff controversy, Hoover made a virtue of necessity and praised the new act as completely fulfilling his party's pledges. Since our imports were curtailed by the new increased rates, foreign debtors, both public and private, were severely restricted in financing their payments on the billions they owed to our government and to private creditors. Not only did taxpayers and investors suffer, but consumers were on the whole forced to pay higher prices

for protected goods because the tariff encouraged wasteful and inefficient concerns to remain in business.

Retaliation from abroad came quickly, especially as the depression deepened. British Tories like Lord Beaverbrook, who had long advocated "imperial preference," eventually overthrew Great Britain's historic free-trade policy in favor of protectionism; their opponents could be silenced by a reference to the Hawley-Smoot Act. Scores of other nations revived economic nationalism in a move to bar American goods. Critics of the tariff law charged that the drastic decline in our exports—from \$5,200,000,000 in 1929 to \$1,647,000,000 in 1933—had far more obvious causes than the depression. These consequences both at home and abroad had been predicted by economists when the new tariff was under consideration.

The Farm Emergency

The farm legislation enacted by the special session in 1929 included the Agricultural Marketing Act, which provided for a Federal Farm Board with a revolving fund of half a billion dollars with which to finance loans to agricultural coöperatives; this would permit farmers to withhold their surpluses from the market until prices rose. But the farmers, whose property values had already declined \$20 billion during the decade, were dealt a blow by the depression that even the Farm Board's heroic efforts could scarcely soften. The crash of 1929 caught farmers with much of their harvest unsold, still heavily in debt, and in danger of having to accept lower prices than ever. Only the Farm Board's prompt advance of large loans on wheat and cotton prevented a sharp price break in these and other basic commodities.

The world-wide bumper harvest in 1930 constituted a new peril for American farm prices, and again the Farm Board promptly extended additional loans. Ugly rumors, which the administration accepted, had it that Russia was deliberately dumping her huge crops on the American market as a means of fomenting revolution. As prices continued to fall, farmers increased their production in order to secure a livelihood. Open resentment flared when it became apparent that the price levels of 1928 could not be restored. The Farm Board pleaded for farmers voluntarily to cut their crop acreage by 30 percent, but this individualist group responded by putting additional

acres into cultivation. The administration refused to resort to compulsory crop restriction, which it denounced as unconstitutional. By 1932 it became evident that the government's own stocks of wheat and cotton were acting as a price depressant.

The desperate plight of farmers, reminiscent of the days of Shays' Rebellion, made rural leaders resort to wild schemes of repudiation and, in some cases, even violence. Farmers faced with the loss of their property through foreclosure defied court orders and mobbed the lawyers who sought to serve foreclosure notices. Crude attempts to withhold crops from the market led farmers to barricade roads and to dump milk. Some farm leaders in the Dakotas, taking their cue from the moratorium that was being sought on international debts, also demanded a moratorium on farm loans. As in Bryan's campaign of 1896, demands for inflation through free silver and fiat money were already being made.

Nature added a new load to the farmers' already heavy burden in the drought which in 1930 affected at least a million families and threatened some twenty million animals in the lower Mississippi Valley, especially Arkansas, and in scattered areas along the Ohio and Potomac rivers. The governors in the affected areas pledged their coöperation to the President in alleviating drought distress, and Hoover secured from all the railroads a 50 percent reduction in feed freight rates. Contrary to precedent, farm prices continued to decline in spite of the destruction of crops.

Insurgent Republicans and liberal Democrats in Congress were openly caustic over the administration's attempt to avoid a dole by relying on the American Red Cross, contributions to which were slow in coming in, despite a well-publicized national campaign. The Senate's attempt to donate \$25 million to the Red Cross for the relief of human starvation was blocked by administration pressure. The Red Cross found too many instances in which it was difficult to determine whether the depression or the drought was primarily responsible for the farmer's plight. Critics complained that the Department of Agriculture had funds to feed farm animals but none for humans. Finally, on December 20, 1930, Republican leaders in Congress agreed to a drought relief bill which set up a \$20 million fund for "agricultural rehabilitation" by means of loans to farmers. Loans of \$47 million for seed, fertilizer, and feed had already been ex-

tended. A total of some 350,000 or 400,000 farm families in thirty-one states availed themselves of this assistance. For farm tenants and others who owned no property and were consequently ineligible for these loans there remained only the increasingly threadbare resources of private charity and the pitifully small contributions of impoverished local governments.

Norris and the Power Issue

Rugged individualism in the White House meant strong hostility toward government competition with private enterprise. This was particularly evident in Hoover's veto of the Norris bill on March 3, 1931. The Nebraskan insurgent, despite the rebuffs of Harding and Coolidge, once more sought federal operation of the power plants at Muscle Shoals; his bill gave private interests a year in which to decide between leasing the plants from the government and yielding them to a federal agency. The Democrats had pledged themselves in 1928 to convert the federal government's costly "white elephant" in the Southeast into a popular asset, and Norris himself had switched to Smith because of the latter's stand on the power issue. But all these hopes were struck down by Hoover's veto, which denounced the plan advocated by the Norris bill as a dangerous assault on private initiative and free enterprise. A countersuggestion was made that the Muscle Shoals units be turned over to a joint commission composed of farmers' coöperatives, which would naturally be interested in cheap nitrates, and of local government agencies. Instead, a stalemate ensued.

At this stage the issue of government operation of power plants rested until the Roosevelt regime. In 1930 Norris was made the victim of a petty partisan plot, attributed to the executive director of the Republican National Committee, to prevent his reelection to the Senate. In order to defeat the "renegade" Republican, Nebraska politicians arranged for an obscure grocer with the same name as the Senator's to run in the primaries. Before he finally succeeded in being reelected, Norris was the target of a well-financed campaign employing deliberate falsifications and defamatory leaflets.

But those among the Senator's enemies who had solemnly warned the nation of the corrupt political consequences of government competition with private utility interests were deeply disturbed by the

sensational collapse of Samuel Insull's Middle West Utilities in 1931. The Chicago millionaire, who had dominated both the politics and the social circles of that city for years, eventually revealed some of the financial complexities and highly speculative methods by which he had built up a gigantic national holding company whose value was estimated at around \$3 billion. One of the greatest bankruptcies in American economic life, the Insull failure impoverished innumerable investors, including company employees who had firmly believed in the myth of their chief's financial invulnerability.

The Small Depositors' Panic

Paralyzing in their effect on our morale during the depression were the recurrent cycles of bank panics, depositors' runs, and the closing of thousands of banks. Forty-eight states, many of them dominated by the debtor psychology that favored easy credit, offered as many varieties of banking regulations. Every bank suffered from the wholesale decline in the predepression value of bank assets, particularly real estate, investment securities, and unpaid notes, all of them aptly called "frozen" assets because they could be thawed out only at a heavy loss. Panic-stricken, many erstwhile depositors resorted to hoarding their cash, thus increasing the weakness of the nation's economy.

The 659 banks closed in 1929, tying up about \$230 million in deposits, represented a normal annual average for the decade. A year later there were 1352 suspensions involving \$853 million; 1931, however, set a new record, with 2294 banks, representing \$1,690,669,000 in deposits, closing their doors. One of the most startling failures was that of the huge New York State bank, the Bank of the United States, whose name suggested to its 400,000 depositors—many of them immigrants—that the federal government stood solidly behind it. This bank, which held \$180 million in deposits, closed its doors on December 12, 1930, a failure which subsequent investigation revealed had been hastened by fraudulent banking practices and the negligence of the state banking authorities.

In an effort to meet the recurrent crises that were aggravated by the failure of European banks, Hoover conferred with leading bankers and with the powerful American Bankers' Association. One plan that was put into effect in October, 1931, established a National

Credit Association, capitalized at half a billion dollars, the capital being subscribed by the banks themselves. The new agency was to convert quickly into cash all frozen but sound assets not eligible for rediscounting at Federal Reserve banks; in many instances this would avoid sacrificing assets in order to meet immediate demands. The Association was also permitted to make loans against the assets of closed banks so that depositors could be paid without delay. Another step in the same direction was taken when the Federal Reserve banks extended their rediscount operations as a means of thawing out frozen assets. The National Credit Association averted crises in the South and West by lending \$400 million to over 750 banks. But this and similar measures were recognized as palliatives which failed to penetrate to the basic reasons for insolvency.

In a vain attempt to halt the flood of mortgage foreclosures on homes and to stimulate construction, Congress in July, 1932, belatedly established a federal home loan bank system. It was set up along the lines of the Federal Reserve System, but its loans to mortgagors were cautiously limited to 50 percent of the value of the property. Few took advantage of it, but the President nevertheless declared emphatically that the new law was "the greatest act yet undertaken by any government at any time on behalf of the thousands of owners of small homes."

With some reluctance, Hoover decided at the end of 1931 that the government must halt deflation and prevent further bankruptcies by extending huge loans to the hard-pressed banks, business enterprises, railroads, and insurance companies. Consequently, on January 22, 1932, the Reconstruction Finance Corporation, a federal agency modeled on the earlier War Finance Corporation, was created; it was backed by government funds amounting to \$500 million and had additional borrowing power. Dissatisfied with the limited scope of the RFC, Hoover urged Congress to enlarge its emergency powers, although he refused to go as far as his opponents wished in lending money for local relief. Accordingly, the Relief Bill of July, 1932, permitted the RFC to make temporary loans of \$300 million to states which, as he put it, were "absolutely unable to finance the relief of distress." In addition, it could lend up to \$1.5 billion for public construction projects of a self-liquidating character, i.e., those whose revenues assured repayment, and it would offer generous loans to

farmers. This far-reaching legislation made it clear that the proponent of "rugged individualism" in the White House had come a long way since 1928, for the new agency bordered perilously near the brink of state enterprise.

Although Hoover chose most of the RFC directors from Democratic ranks, his opponents failed to be appeased. Speaker Garner charged that the agency was lending its funds primarily to big business, and to Republicans at that. An emphatic denial came from the President. Democrats raised a clamor when, shortly after resigning as president of the RFC on June 6, 1932, former Vice-President Dawes borrowed \$80 million for his Central Republic Bank and Trust Company in Chicago, which was then in difficulties. This aid proved timely indeed, for a series of runs which began on June 18 wiped out thirty-nine of that city's other banks. Although Dawes himself neither solicited nor voted for the loan, he severed his connection with the RFC so abruptly that many Democrats charged him with using his influence with it on his own behalf. Garner thereupon secured an amendment to the Relief Bill which required the RFC to publish the names of all borrowers. Later, this amendment was severely condemned by business leaders, for they regarded it as directly responsible for the further loss of the people's confidence in business and for new runs on otherwise sound banks.

By the beginning of March, 1933, the RFC had actually disbursed \$1,842,151,761 and additional amounts were authorized; the lion's share of this sum, \$732,279,141, went to banks and insurance companies. Largely as a result of the RFC's policy in thawing out frozen assets, bank suspensions in 1932 dropped sharply, as is evident from the fact that 1456 banks with deposits of \$715,626,000 were closed that year, as against the 1931 figures—2294 banks and \$1,690,669,000 in deposits. By the end of 1932, the precipitate liquidation characteristic of 1930 and 1931 seemed to have been halted, and a leveling-out process apparently had set in.

The Hoover Moratorium

Financial conditions in this country became increasingly intertwined with the depression in Europe until the thin partition between foreign and domestic affairs was finally broken down. During the twenties, American investors had loaned one country alone—

Germany—the huge sum of \$2.475 billion. The inter-Allied war debts to us soared above the original \$10 billion, and several debtors found themselves unable to meet even their interest payments. A threat to the stability of American banks was the fact that at least \$1 billion in short-term bills issued by Germany and held by our own banks was in danger of being repudiated if the bank crisis spread.

Germany, bereft of her former outside sources of investment, was desperate by 1931. Her attempt in March of that year to form a customs union with Austria was blocked by France, who regarded it as a clever attempt at *Anschluss* and hence withdrew her powerful financial support from Austrian banks. In May came the startling news that the *Kreditanstalt* of Vienna, one of the largest banks in Europe, had appealed to the Austrian government and the Rothschilds for help. Repercussions were felt at once in the stock markets in Berlin, London, Paris, and New York. Depositors in Germany crowded the streets outside the banks, and capital fled from Germany to other countries. Britain, who had many interests in central Europe, was hard-pressed for gold during this crisis, and eventually, in September, 1931, she was compelled to go off the gold standard. Bankers both here and in Europe pleaded for the cancellation of reparations and war debts as the only possible preliminary to world recovery. Many people feared that a Communist revolution would break out in Germany and spread elsewhere.

In June, 1931, President Paul von Hindenburg appealed directly to Hoover to avert the impending catastrophe. England thus far had been unwilling to underwrite Germany's financial solvency, and the French apparently believed that the Weimar Republic was in better shape than it professed to be. These were the crucial weeks of the banking crisis in Chicago, when the huge Foreman banks had to be taken over by other banks, and innumerable smaller ones, weakened by highly speculative practices, were closing their doors. Since Congress was not in session, Hoover secured support for his intended action from leaders of both parties, including Borah, Glass, Cordell Hull, and Arthur Vandenberg; and on June 20, after being advised by American financial experts, he announced his proposal for a one-year moratorium on all intergovernmental debts. Fully aware that this meant a budget deficit of some \$250 million for the United

States, he said, "I am suggesting to the American people that they be wise creditors in their own interest and be good neighbors." Supplementing the breathing spell afforded Germany by the moratorium, American banks, including the Federal Reserve Bank of New York, joined European banks in extending short-term loans to stabilize Germany's financial institutions. As a result, trade activity revived, prices rose, and some measure of stability had been attained by the end of the year.

Once the moratorium came into effect, the question of war debt cancellation was raised immediately. When Hoover in his December message to Congress suggested the creation of a World War Foreign Debt Commission, patterned after the Harding-Coolidge board, to reconsider the war debt question, isolationists like Hearst branded it as inviting wholesale cancellation and they succeeded in getting Congress to pass a resolution declaring that the inter-Allied debts to the United States should not be "in any manner cancelled or reduced." Hoover predicted that this refusal to make concessions would encourage our debtors to repudiate their obligations.

This resolution against cancellation blocked any plan for reparations revision discussed in Hoover's private conference with the French Premier, Pierre Laval, during the fall of 1931. Nevertheless, our European Allies met at Lausanne the following summer and virtually cancelled German reparations, except for a modest sum of \$750 million. Evidently expecting that public opinion in the United States would react by advocating the partial cancellation of inter-Allied debts, the Lausanne Conference made the whole agreement contingent on a proportionate reduction in the debts owed our government. Hoover's last hope for the elimination of intergovernmental debts as barriers to world recovery vanished with President-elect Roosevelt's refusal to commit himself to any immediate international settlement before his domestic program was under way. Consequently, for this and other reasons, the London Economic Conference, which met in the spring of 1933 to consider problems of international finance, was doomed to failure.

The End of Disarmament

Disarmament appealed to Hoover both as a Quaker who detested war and as an ardent advocate of economy. After informal discus-

sions with British Prime Minister Ramsay MacDonald, the President sent an impressive delegation, headed by Secretary of State Stimson, to London to attend a five-power naval conference which began on January 21, 1930. As in previous conferences, France demanded definite assurance of military aid in case of a German invasion, and when this was not forthcoming she joined Mussolini's Italy in refusing to consider any of the major proposals for disarmament. The treaty signed in April, 1930, gave the United States complete naval parity with Great Britain; but bringing our Navy up to the British level actually meant an increase in our naval expenditures. The new 10:10:6 ratio for heavy cruisers put Japan in third place, but the 10:10:7 basis for light cruisers was a significant gain for her, and she achieved equality in submarines; in other words, she now was strong enough to dominate the South Pacific. We reaffirmed our 1922 agreement with Japan not to increase the fortifications of our eastern Pacific bases. Hence, from the perspective of the Second World War, it is clear that Japan was the real beneficiary of the London Conference, for Britain and the United States limited their naval strength but gained neither security nor real economy.

Going far beyond his predecessors in cooperating with the League, Hoover sought a leading part in the World Disarmament Conference which met in Geneva on February 2, 1932. He first urged that all offensive weapons be abolished, but later proposed that all existing armaments be reduced by a third. France now had an even better reason than ever for noncoöperation, for Hitler's National Socialist party was leading a movement for fascism in Germany and was advocating rearmament in disregard of the Treaty of Versailles. While the Conference was in session, Japan made disarmament a dead issue by suddenly attacking Shanghai.

Japan Versus the Stimson Doctrine

The revival of Japan's dormant imperialism was spurred on by the loss of her vital foreign markets, increasing unemployment, and a lower salary scale for civil servants—all of these factors products of the world-wide depression. Seeking to strengthen her economic penetration of Manchuria through her South Manchurian Railroad, Japan came in conflict with Chinese Nationalists determined to halt her advance. After a series of incidents in Manchuria which culmi-

nated in an alleged bomb attack on the railroad by Chinese soldiers, the Japanese struck out suddenly on the night of September 18, 1931, and occupied many cities and towns in southern Manchuria, a move which must have been planned long before the alleged bombing of the railroad. China appealed to the League of Nations and to the signatories of the Kellogg Pact.

Secretary Stimson, anxious to strengthen the Pact in a concrete case which involved our interests, promptly warned Japan of her obligations and on October 10 declared that "the American Government, acting independently through its diplomatic representatives, will endeavor to reinforce what the League does." When the League proceeded to order an investigation, Japan insisted that there was no actual war and completed her occupation of Manchuria in defiance of the League. The Secretary of State then issued on January 7, 1932, what has become known as the Stimson Doctrine; this stated that the United States would not "recognize any situation, treaty, or agreement which may be brought about by means contrary to the covenants and obligations of the Pact of Paris. . . ." Japan replied by converting Manchuria into the puppet state of Manchukuo.

The Chinese Nationalists retaliated with a boycott on Japanese goods that cut trade with the island empire by 60 percent. Thereupon Japanese marines, later reinforced by Army units, invaded Shanghai on some slight pretext, killing thousands of civilians and finally colliding with the well-trained Chinese Nineteenth Route Army, which offered fierce resistance. At this point, the Japanese were willing to be persuaded to accept an armistice. In a public letter of February 24 to Senator Borah, Secretary Stimson restated his policy of not recognizing territorial changes made in violation of international law. He pointed out that America's agreement in 1922 to surrender her lead in battleship construction and to leave Guam and the Philippines unfortified had been based on Japan's acceptance of the open-door policy as embodied in the Nine-Power Treaty.

This should have been clear warning to Japan. China was encouraged by the favorable report of the Lytton Commission of the League: "The military operations of the Japanese troops . . . cannot be regarded as measures of self-defense." Japan immediately gave notice of her intention to withdraw from the League, thereby further weakening its authority in the face of the later aggressions of

Italy and Germany. No sanctions of any type were invoked against her, for Hoover, and probably Congress as well, were opposed to such a step for fear of bringing on war with the island empire. In view of her important economic interests in the Far East and the vulnerability of India, Australia, New Zealand, and other British areas, Great Britain decided upon appeasement. American critics of Britain overlooked the fact that Stimson's policy of threatening without imposing penalties was scarcely effective in restraining aggressors and not at all reassuring to the British. As it was, the isolationists and isolationist newspapers like the *Chicago Tribune* and the Hearst chain were thoroughly convinced that we had already gone too far toward coöperating with the League.

The Good Neighbor Ideal

Hoover's Latin-American policy constituted one of the great successes of his administration. As President-elect, he made a good-will tour of Latin America late in 1928, in which he said that the United States was eager to maintain "the relations of good neighbors" with the southern republics. As a step in this direction, he insisted that the diplomatic and consular services be staffed by men acquainted with the language and people of the countries to which they were assigned. Those who feared that he was advocating dollar diplomacy were answered in his public statement on April 13, 1929: "I can say at once it never has been and ought not to be the policy of the United States to intervene by force to secure or maintain contracts between our citizens and foreign States and their citizens."

Latin-Americans were reassured when they learned that Hoover and Stimson opposed the so-called Roosevelt Corollary to the Monroe Doctrine, which empowered the United States, as a hemisphere policeman, to intervene in the domestic affairs of the southern republics in order to prevent foreign penetration. The Clark Memorandum on the Monroe Doctrine, which was prepared toward the end of Coolidge's term but was not issued until 1930, clarified the State Department's position. J. Reuben Clark, author of the Memorandum, denied that the Roosevelt Corollary was justified by the terms of the Monroe Doctrine, but he held that self-preservation might entitle the United States to intervene in Latin America.

To reduce the possible need for intervention, the administration

discarded Woodrow Wilson's policy of not recognizing *de facto* governments established by revolution or violence. Stimson announced that the United States would return to Jefferson's theory of basing recognition "not upon the question of the constitutional legitimacy of the new government but upon its *de facto* capacity to fulfill its obligations as a member of the family of nations." He pointed out that Wilson's refusal to recognize the Huerta government had led to armed conflict with Mexico. However, he said that one exception to this policy of recognition was revolution-ridden Central America. Since these republics had themselves agreed in 1907 and 1923 not to recognize governments based on revolution or violence, the United States, apparently for reasons of strategic necessity, would therefore do likewise. Stimson repeatedly invoked this special Central American agreement to compel revolution-bred administrations to retire, as in the Guatemala revolution. Our war against the Sandistas was continued in Nicaragua but was more and more turned over to the newly trained native gendarmes. By January, 1933, all our marines had been withdrawn.

Hoover also had the satisfaction of bringing about the solution of the "Question of the Pacific," which had been a bone of contention between Peru and Chile since 1883. This involved the disposition of the frontier provinces of Tacna and Arica after the bloody war of the Pacific (1879-1883), in which Chile had been victorious. Chile, desirous of retaining the provinces as buffer states against Peru, proceeded to Chileanize them and to intimidate Peruvian voters who sought to participate in the plebiscites arranged through the earlier mediation of the United States. President Coolidge had sent Generals John J. Pershing and William Lassiter to supervise a plebiscite, but none could be held. Finally, Peru and Chile agreed to ask President Hoover to mediate. Chile was given Arica, and Peru received not only Tacna but also an indemnity and certain other compensations.

The Nomination of Franklin Delano Roosevelt

Hoover's renomination by the Republicans in 1932 was virtually uncontested, although there were reports of a lack of any genuine enthusiasm at the convention. The administration was endorsed, the Democrats being blamed for the long deadlock between Congress

and the President. The contest for the Democratic nomination was much more spirited, particularly in view of the two-thirds requirement for nomination. Governor Franklin D. Roosevelt of New York had a majority on the first ballot but lacked the necessary two-thirds. Speaker John N. Garner of Texas, who was strongly supported by the Hearst newspapers, held second place. In the background, ever hopeful that a deadlock might end in his favor, was former Governor Alfred E. Smith, the unsuccessful candidate in 1928. This hope proved vain, however, for the Garner forces finally compromised by accepting the vice-presidential nomination for their leader, thus enabling Roosevelt to be nominated on the fourth ballot. He broke tradition by flying to Chicago to make his acceptance speech, in which he promised "a new deal for the American people."

While the Republican campaign stressed the international causes of the depression, the Democrats attributed it to their opponents' postwar policies, which they claimed fostered economic nationalism and private monopoly. They emphasized federal aid to the poorer states for unemployment relief, and promised regulation of security-issuing holding companies engaged in interstate commerce. Old-age and unemployment insurance under state laws offered another popular attraction, responsibilities which the Republicans held should be assumed by private industry. The Democratic platform called for the repeal of the Eighteenth Amendment as a step toward recovery; that of their opponents advocated an amendment which would permit local option and thus protect the dry states. With studied evasion, the Democrats supported "sound" currency and a "competitive" tariff for revenue.

Roosevelt at the age of fifty was far more vigorous-looking than he was when he nominated Alfred E. Smith for President in 1924. His opponents might refer to him deprecatingly as a "country squire" who had been born in a well-to-do home at Hyde Park, New York, but his actions showed a sympathy for the "forgotten man"—a phrase he popularized—that his rivals could scarcely surpass, regardless of whether they had risen from a humble farm or city streets. He was trained at Harvard University and the Columbia University Law School. When he entered politics in New York, he fought the Tammany wing of his party and supported its liberal candidates. As a delegate to the Baltimore convention in 1912 he worked for Wilson's

nomination and afterward received the important position of Assistant Secretary of the Navy; here he distinguished himself in preparing our Navy for action in World War I as the first Roosevelt, a distant relative, had done under McKinley. When, a year after his defeat in 1920 as Cox's running mate, he was stricken by infantile paralysis, it seemed that his political career must be over. Nevertheless, after partial recovery, he agreed, in answer to Smith's appeal in 1928, to run for governor of New York in order to strengthen the Democratic national ticket; Smith was defeated, but Roosevelt won by a small margin. Two years later he was reelected by an overwhelming vote.

As governor, Roosevelt learned many lessons he used later as President. He became an enthusiastic advocate of public ownership of water-power sources and strove to lower the cost of electric power to the people. Among the reforms he supported were workmen's compensation laws, effective factory inspection, unemployment insurance, and an eight-hour day for government workers. He initiated an old-age pension system in New York State and met many able social workers whom he later appointed to federal government posts. Already familiar with the problems of agriculture, he had become interested in reciprocal trade agreements as a substitute for the traditional tariff bargaining. Significantly, he fought the depression in his state by promptly appropriating state funds for relief.

The impact of the depression led him, when he became President, to experiment with unorthodox ideas that he considered were adapted to the changing national scene. To aid him in this, he surrounded himself with a group of eager men, many of them college professors, whom a New York *Times* correspondent dubbed the "brains' trust" (later the "brain trust"). Raymond Moley, a professor at Columbia who brought some of these experts together, had considered Hoover too inflexible in his ideas, however good; but subsequently he himself broke with Roosevelt as the latter's experimental spirit led him down new paths. Close to Roosevelt, but apart from his academic experts, were his devoted political mentors, Louis McHenry Howe and Judge Samuel Rosenman of New York, who had steered their protégé through the pitfalls that beset a candidate for office. Finally, there was James Farley of New York, whose acute political insight had planned Roosevelt's campaign with a thoroughness that helped to insure both nomination and election.

New Deal Victory

Roosevelt's insistence during the campaign that the federal government extend its authority by regulating and protecting economic life met emphatic opposition from Hoover. Assailing the "well-meaning reformer" who was discouraged by the failure of local communities to rise to their responsibilities, Hoover declared that such failures were better "than that we should drive this Republic to a centralization which will mean the deadening of its great mainspring of progress, which is the discovery and experimentation and advancement by the local community." He also denounced the reciprocal trade agreements advocated by Roosevelt as injurious to one industry at the expense of another. The President was nettled by his opponent's characterization of the Hawley-Smoot tariff as a "ghastly jest," and declared this charge to be inconsistent with such campaign statements of Roosevelt's as "I favor . . . continued protection for American agriculture as well as American industry." Roosevelt's "new deal," said Hoover, meant a revolutionary change in the foundations of national life that would lead to regimentation and socialism.

But both the depression and Hoover's cautious methods of meeting it worked against him. According to the Cleveland Trust Company's estimates, unemployment had risen from around six million in November, 1930, to more than ten million a year later and to over fourteen million two years later. Banks, utility companies, and other businesses of all types were still closing. Although there had been some recovery, it was apparent only in the realm of cold statistics; the modest upturn was entirely lost in the overwhelming human tragedy of personal insecurity.

In the election, Roosevelt received 472 electoral votes to Hoover's 59. Only New England, protectionist Pennsylvania, and Delaware remained loyal to the President. The popular vote, however, was far less impressive, for Roosevelt polled 22,821,513 votes—only 57.4 percent of the total vote—to his opponent's 15,761,787. Nevertheless, this wiped out the Democrats' humiliation in 1928. Both parties cut their election expenditures drastically, but Hoover's managers reported expenses of \$2,670,000 to Roosevelt's \$1,700,000.

Symptomatic of the depression was the sharp increase in the leftist vote, some of which was a protest against the major parties rather

than a sign of Marxist penetration. Norman Thomas, who received 267,627 votes in 1928, won 884,274 in 1932. William Z. Foster, the Communist candidate, polled 102,991 votes to more than double his 1928 total. Temporarily committed to Roosevelt's program were Senator Huey Long of Louisiana, who offered a "Share the Wealth" plan, and Father Charles Coughlin, radio priest of the Shrine of the Little Flower in Michigan, whose "Roosevelt or Ruin!" revived an extreme form of the inflation called for in Bryan's 1896 campaign.

The Deepening Crisis

The final months of Hoover's administration were a nightmare for the tired and repudiated President. He clashed with Congress over the Philippine Independence Act, which was passed over his veto early in 1933. In his mind, Philippine independence was motivated primarily by American sugar interests in their desire to escape competition and it could result only in social and economic chaos. He recommended that the bill include guarantees which would preclude any future intervention on our part to restore order and would also insure against attack on the islands from another quarter—obviously Japan. Our motives, he declared, must remain altruistic.

Hoover considered it futile to embark on other new policies because the next administration might discard them, a fact of which European diplomats were well aware. When he sought a commitment from Roosevelt on December 19 regarding plans for the World Economic Conference, the President-elect answered, "I think you will realize that it would be unwise for me to accept an apparent joint responsibility with you when, as a matter of constitutional fact, I would be wholly lacking in any attendant authority." The press quoted Roosevelt as remarking informally that the war-debt problem was "not my baby."

In Michigan, the once-prosperous automobile industry and the real-estate boom had sunk deep under the depression, and the weakened banks, especially in Detroit, were faced with repeated runs by depositors. Consequently, on February 14, 1933, Governor Comstock ordered an eight-day "banking holiday" which would tie up perhaps \$1.5 billion. An epidemic of such holidays soon swept the nation. Hoover attributed this resurgence of the panic to the fears aroused by Roosevelt's unorthodox monetary policies, and on February 17 he

sent a Secret Service messenger to the President-elect to warn him of the impending national panic; his message stressed the psychological causes of the crisis, which, he said, could be eliminated by Roosevelt's prompt assurance that he would not tamper with the currency. The President-elect replied that the fire was bound to spread in spite of any statement he might make. "The real trouble," he said, "is that on present values very few financial institutions anywhere in the country are actually able to pay off their deposits in full, and the knowledge of this fact is widely held." That this was overly pessimistic was shown by the subsequent reopening of the banks.

Hoover anxiously watched Roosevelt's attempts to persuade the conservative Carter Glass to serve as Secretary of the Treasury, a choice which might be regarded as reassuring to the bankers; but Glass refused, in view of the inflationary experiments likely under the new administration. Meanwhile, weakened banks in the interior began to draw heavily on New York and Chicago banks. Since this was endangering the nation's entire financial structure, Hoover a few days before the inauguration considered proclaiming a nationwide bank holiday to halt the panic, but many financiers feared that such a move would have catastrophic results; he also sent to the Federal Reserve Board a suggested plan for the federal guarantee of bank deposits. Once more he appealed to Roosevelt for collaboration; the latter, however, regarded any temporary closing of the nation's banks as unnecessary, and suggested instead that Hoover use certain war emergency powers to regulate foreign exchange and withdrawals of deposits. Hoover considered this suggestion as not only unconstitutional but as liable to rejection by the Democratic Congress. Consequently the crisis was left in the hands of state governors.

By March 4, 1933, when President Hoover, wearied by forty-eight hours of continuous labor with no sleep, rode solemnly down Pennsylvania Avenue beside Franklin D. Roosevelt, practically every governor in the nation had either declared a bank holiday or imposed severe restrictions on withdrawals. For the first time in its history, our country's economic life faced complete paralysis. Trade was reduced in many instances to barter, and fears of worse things haunted the man in the street. Revolutions had flamed in other countries with far less provocation. This was the grim setting for the New Deal.

Chapter 16

THE NEW DEAL REVOLUTION: 1933-1936

The New Dealers in the Saddle

In this inaugural crisis, the gravest since Lincoln's inauguration in 1861, the bold unruffled confidence manifest in Roosevelt's inaugural address that March afternoon in 1933 was an inspiring tonic to a worried nation. Two weeks earlier, on February 15, the President-elect had narrowly escaped death in Miami, Florida, when an assassin's bullet aimed at him hit Mayor Anton Cermak of Chicago, who later died from the wound. Three days afterward, Roosevelt received Hoover's message on the peril facing the nation in the banking crisis. Refusing to be daunted, the new President spoke reassuringly: "This great Nation will endure as it has endured, will revive and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance."

The crisis was far from insoluble, in his opinion. "We are stricken by no plague of locusts. . . . Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply." This failure he attributed to the stubbornness and incompetency of "the rulers of the exchange of mankind's goods" who had relinquished their power after resorting to exhortations and "pleading tearfully for restored confidence." Herbert Hoover, as he listened to the address, could scarcely have missed this thrust at himself. Roosevelt went on to outline the problems involved in farm and urban relief and unemployment, and advocated national planning in the fields of transporta-

tion, communications, and public utilities. "We must act," he insisted; "we must act quickly."

International trade relations he placed second to the establishment of a "sound national economy"; nevertheless, these relations need not be "narrowly nationalistic." In foreign affairs he sounded the tocsin of the "good neighbor" policy—"the neighbor who resolutely respects himself and, because he does so, respects the rights of others. . . ." He promised vigorous leadership but said frankly that, if the emergency required it, he would ask for broad executive power comparable to "the power that would be given to me if we were in fact invaded by a foreign foe."

Although there was little indication in Roosevelt's Cabinet appointments that revolutionary changes were in prospect, the strongly progressive elements became increasingly apparent as the New Deal was translated into action. Senator Cordell Hull of Tennessee, who became Secretary of State, was commonly considered a nineteenth-century apostle of free trade and moderate competition. The Treasury post went to William H. Woodin, president of the American Car and Foundry Company and a Republican until 1928; his appointment was expected to reassure business. Not until his resignation in 1934 because of illness did an ardent New Dealer succeed to this key post. Henry Morgenthau, Jr., of New York, the next Secretary of the Treasury, was the son of Wilson's ambassador to Turkey and had been Governor Roosevelt's chief adviser on farm problems; thereafter he had served successively as governor of the Federal Farm Board, governor of the Farm Credit Administration, and Under Secretary of the Treasury.

The post of Secretary of Agriculture, for which Morgenthau was apparently well fitted, went instead to Henry A. Wallace, an Iowa dirt farmer of strong progressive tendencies, whose father, Henry C. Wallace, had held the same post under Harding and Coolidge. Another consistent liberal, then comparatively unknown to the country, was the new Secretary of the Interior, Harold L. Ickes of Chicago. Frances Perkins, who had been New York State Commissioner of Labor under Roosevelt, became the Secretary of Labor, the first woman to be appointed to any Cabinet. The President had planned to give the Attorney Generalship to Thomas J. Walsh, the militant Montana reformer who was primarily responsible for unearthing the

Teapot Dome scandal, but Walsh's death two days before the inauguration resulted in the selection of Homer S. Cummings of Connecticut for the post.

Vital for the success of the New Deal was the patronage power which was entrusted in large part to the astute new Postmaster General, James A. Farley of New York. "Deserving Democrats"—their ranks had swollen during the twelve-year political drought—were persistent applicants for the many thousands of new posts not yet brought under civil service rules. The mushroom growth of new government agencies meant, at least for several years, a parallel increase in patronage. Not only was the President's power in Congress enhanced in this way, but men sympathetic to the administration's novel program could be given key positions in important agencies which were still in the experimental stage. The New Deal subsidies and reforms on behalf of farmers, laborers, the unemployed, and Negroes, among others, swung millions of traditionally Republican votes to the Democratic column.

The Philosophy of the New Deal

Roosevelt and his followers usually thought of themselves as heirs of the progressive movement, but scholars who looked for a tightly knit philosophy in the New Deal were disappointed. It was not the President's intellectuality but his optimistic temperament, his vigorous personality, and his kindly sympathies that accounted for so much of the flavor of the New Deal. Like most Americans, he mixed simple idealism with practicality and kept an open mind as to the possibilities of experiment. He was no doctrinaire who throve upon abstract thinking, although he borrowed intellectual slogans that pleased him at the moment: "the greatest good of the greatest number," the need for "social planning," and the depravity of the "economic royalists." He might take up the Populistic heresies of Bryan on money issues, but he could also drop them promptly when they failed to serve his purpose.

The men about Roosevelt had profited from Hoover's experiments and failures in coping with this unprecedented depression. They observed the futility of Hoover's efforts to stop farm surpluses and raise prices by relying mainly upon federal marketing, farm credit, and the outright purchase of surpluses. The chief alternative

to this seemed to be crop restriction at the source. Hoover gave the New Dealers a powerful anti-depression agent in the Reconstruction Finance Corporation. By expanding the lending operations of the RFC, they hoped to stem the flood of business bankruptcies, bank closures, and farm and home foreclosures. The public works projects of Hoover were good but apparently insufficient to reemploy eight or ten million men and women. While the Rooseveltians in the spring of 1933 were at first worried over the mounting billion-dollar deficit left by Hoover, they speedily dropped the idea that immediate budget balancing was indispensable for recovery. As a keen politician Roosevelt understood the public's desperate mood much better than did Hoover and he felt that the demand for leadership required herculean action, even if he risked experiments with unorthodox economic theories.

The United States, like other English-speaking countries, was greatly influenced by the challenging economic theories of John Maynard Keynes, an English Treasury expert who had proved himself right in his pessimistic forecasts in *The Economic Consequences of the Peace* (1919). His current books and articles on money and unemployment aroused the widest attention and earned for him a reputation as the greatest economist since Adam Smith. He regarded depressions as a recurrent phase of economic life that had to be corrected by heavy government spending to offset the drought of private investment. Keynes was not troubled by the fear that public investment would injure private enterprise. Unbalanced budgets, "deficit financing," and the like seemed to him far preferable to the alternative of allowing the economy to stagnate. This type of analysis encouraged a national rather than an international approach to the depression problem.

The New Deal was more than a series of mere expedients or experiments without an ethical or theoretical goal. Its spokesmen declared their purpose to be the raising of the standard of living permanently, rather than the acceptance of a recovery that stopped at the levels of 1929. This goal, they felt, should be reached by government action that offered aid directly at the bottom of the social pyramid rather than diffusing wealth from the top in the manner practiced by Alexander Hamilton. The most depressed groups, such as the Negroes, the displaced farmers, and the slum dwellers, bene-

fited considerably. Organized labor, despite its lack of a large program, became a major beneficiary, able to exercise a countervailing force against pressures from an increasingly centralized industry. While critics might disagree as to the lasting benefits of the New Deal, it seemed clear that the Roosevelt regime did firmly establish the basic responsibility of government to save the economy in the event of any depression or even recession. Hoover, as already noted, had partly anticipated this pattern.

Reopening the Banks

During the exciting "hundred days" after his inauguration, the President labored to bring about recovery and reform simultaneously by keeping a weary Congress in continuous session so that the emergency laws could be speedily enacted. First of all there was the paralysis of banking. On March 6 Roosevelt invoked an unrevoked war act, the Trading-with-the-Enemy Act of 1917, to proclaim a four-day national banking holiday—later extended to March 13. This also stopped the drain on gold by suspending gold and silver exports. Banks and individuals were ordered to deliver their gold holdings to the Federal Reserve banks in return for other forms of currency. This was the beginning of the process that took this country off of the gold standard.

On March 9 Congress in special session passed the Emergency Banking Act to validate the banking holiday and the gold embargo, and to formulate the procedure for reopening the banks. Added stability was given to many banks by empowering the RFC to buy preferred stock in distressed banks. To meet the danger of depositors' runs when the holiday ended, this law permitted the Federal Reserve banks to lend money even to nonmember state banks. In this way essential currency was provided in the form of Federal Reserve bank notes, which needed no gold reserve, being supported by government securities or commercial paper. A speeded-up bank examination procedure made it possible to reopen on March 15 about half of the banks containing 90 percent of all resources. Others were permitted to open according to their state of solvency on a more restricted basis. About one thousand banks—5 percent of the total—remained closed.

The Emergency Banking Act worked out successfully. On March

12 Roosevelt delivered a radio "fireside chat" reassuring the people as to the measures taken to strengthen the banks and urging depositors to return their money. So convincing was this appeal that the depositors ceased their panic runs on the banks despite the fact that no actual federal guarantee of solvency was given. Not until June, 1933, did Congress create the Federal Deposit Insurance Corporation to guarantee the funds of small depositors in full and of the larger depositors in part. Meanwhile the banks escaped the pressure of panicky depositors whose demands had compelled the bankers to sacrifice frozen assets on a falling market and so contribute to a further decline in values.

Bryanism: The Battle for Inflation

The generation of the 1950's, distressed by the pressure of inflation, recalled grimly that their parents had tried to move heaven and earth during the thirties to make inflation a reality in their time. The depression forced prices to unprofitably low levels for business and cut farm income to the point where it became impossible for many thousands to pay off their mortgages and save their homes. To reverse the steep descent of deflation, the New Deal resorted to currency inflation, generous credit at low interest rates, public works programs, large-scale relief for the distressed, farm subsidies, and a host of other expedients. Not the least of these economic stimulants was the immediate modification of the Volstead Act to permit the sale of beer and light wine. In fact the entire prohibition experiment came to a largely unlamented end on December 5, 1933, when Utah became the thirty-sixth state to ratify the Twenty-First Amendment repealing the Eighteenth. Only in the Old South and in Oklahoma, Kansas, and North Dakota did the dries retain their control. The tavern and the well-upholstered cocktail lounge replaced the prewar saloon.

Among those who were after much bigger game than prohibition repeal were the innumerable amateur economists and inflationists such as the persuasive radio priest, Father Coughlin, and the latter-day Democratic disciples of William Jennings Bryan, who had gone down to defeat in 1896 under the bimetallic banner of "Sixteen to One." From the silver-producing states, Senator Burton K. Wheeler of Montana tried to revive Bryan's program for the free and un-

limited coinage of silver. There was Senator Key Pittman of the silver state of Nevada, who found his post as chairman of the Senate Committee on Foreign Affairs very useful in promoting silver sentiment abroad. More successful was Senator Elbert D. Thomas of Oklahoma, who argued that the distressed farmers would earn higher prices through a large program of currency tinkering, free silver, and greenbacks. Underlying the thinking of the inflationists was the belief that the existing supply of gold was too small to provide an adequate basis for high prices.

Roosevelt bowed (not too unwillingly) to the inflationist sentiment of his party in the West and South by accepting the sweeping Thomas Amendment to the Agricultural Adjustment Act that passed on May 12, 1933. This conferred upon the President extraordinary control over the currency. He could inject up to \$3 billion into the nation's money supply by arranging with the Federal Reserve Board to buy up government securities in the open market. If this failed he could even direct the Secretary of the Treasury to issue up to the same amount in greenbacks that could be used to pay off federal bonds. Bryan was not forgotten in the provision that the President could fix the weight of the gold and silver dollar at a ratio he might find necessary to stabilize domestic prices; and at that ratio he could provide for the unlimited coinage of gold and silver. Finally, he was empowered to reduce the gold content of the dollar up to 50 percent.

Monetary theorists convinced the President that he must keep his hands free from European agreements that would stabilize currencies and raise prices by international action. Therefore, on July 3, Roosevelt himself hurled the "bombshell" that ended the usefulness of the World Economic Conference at London, recently come together upon the initiative of Hoover. His message came as the conferees were discussing currency stabilization and the possible leveling of tariff walls, cartels, and import quotas. The American delegation seemed wholly unprepared for Roosevelt's dictum: "Let me be frank in saying that the United States seeks the kind of dollar which a generation hence will have the same purchasing and debt-paying power as the dollar value we hope to attain in the near future. That objective means more to the good of other nations than a fixed ratio for a month or two in terms of the pound or the franc." He rejected the traditional gold standard as part of the "old fetishes of so-called in-

ternational bankers" and came out in favor of a "managed currency" controlled by decisions of government experts. These words stunned Europeans who had expected this country to take the leadership in freeing the channels of trade from artificial controls. The only alternative seemed to be that Europe must depend solely upon nationalist expedients. Secretary of State Cordell Hull, a lifelong free-trader and "sound money" man, could not conceal his disappointment and later wrote in his *Memoirs*: "First, it [the collapse of the Conference] greatly retarded the logical economic recovery of all nations. Secondly, it played into the hands of such dictator nations as Germany, Japan, and Italy. . . . From then on they could proceed hopefully: on the military side, to rearm in comparative safety; on the economic side, to build their self-sufficiency walls in preparation for war. The conference was the first, and really the last, opportunity to check these movements toward conflict." However, John Maynard Keynes, friendly to the idea of a managed currency, declared that Roosevelt was "magnificently right."

Meanwhile the President was experimenting with the gold theories of Professors George F. Warren and Frank A. Pearson. They believed that if the dollar was devalued, the available gold would go farther in supporting higher prices. Therefore, as a method of devaluing the dollar, the RFC was instructed to buy gold at prices above current international quotations, thereby raising the value of gold from \$20.67 per ounce to \$34.45. As a result the dollar was devalued to sixty cents. The Gold Reserve Act of January, 1934, gave the federal government title to all the monetary gold in the country and permitted Roosevelt to fix the weight of the gold dollar at 59.06 percent of its former weight. From the profit realized by devaluation, the act set aside a \$2 billion fund to stabilize our currency in terms of that of other countries.

The silver inflationists now secured their demands as well. In May, 1934, they passed the Silver Purchase Act, which declared it the policy of the country to raise silver monetary stocks to one-fourth of the total currency supply. As a result, the Treasury began to buy silver on a large international scale until, contrary to our intention, the silver-standard countries were forced to adopt a managed-currency system. China, for example, was driven off of her silver standard, suffered a sharp drop in prices, and was compelled to reduce

imports from this country by half. Another silver-standard country, Mexico, also suffered from the new high prices for silver and the growing shortage of this metal. When the silver-buying program failed to raise commodity prices here the Treasury cut its prices for foreign silver and permitted the world price to slip back to its original levels.

But the silver states insisted upon subsidies from the taxpayer regardless of the inflation issue. In 1939, they even secured a new Silver Purchase Act, which required the Treasury to buy newly mined domestic silver at a price about double the world rate. Meanwhile, further monetary experiments were discouraged by the sudden increase in American gold supplies due to Europe's rearmament orders and the transfer of private wealth here from cautious foreigners who saw the coming of a world war. Altogether, the monetary experiments remained the least successful part of the New Deal program, save for the generous aid to one depressed commodity, silver.

Safeguarding Investors

Seldom was the prestige of bankers as low as during the spring of 1933, a fact largely due to the revelations of the Pecora Senate Committee. Not only did the Senators bring up to date the old story of financial concentration told to the Pujo Committee of 1912, but they also discovered shockingly immoral practices in the flotation and management of investments. The public was startled to learn, among other things, that men as wealthy as J. P. Morgan had used tax loopholes to escape paying income taxes during 1930, 1931, and 1932.

One result of the investigation was the passage of the Glass-Steagall Act of June, 1933. It insured small depositors to the extent of \$2500 (increased to \$5000 in 1934 and to \$10,000 in 1950) through a Federal Deposit Insurance Corporation. Before this old Bryanite idea became law, the administration itself had been torn by doubts. Eight states had already tried and abandoned deposit insurance since the panic of 1907. Bankers charged that such insurance would remove all restrictions upon unsound banking practices and endanger the entire banking structure. But nothing happened during the next two decades at least to shake the belief of its sponsors that the FDIC would reassure depositors and promote the solvency of the banking system.

The Glass-Steagall law also curbed the dangers of stock market speculation by compelling commercial banks to divest themselves of their investment affiliates. This was aimed at those banks that had conducted highly speculative and illegal operations (that were forbidden by bank charter) under cover of an affiliated corporation, with results that were ruinous to depositors and to the bank itself. Another leading provision permitted the Federal Reserve banks to discourage excessive and dangerous speculation in securities, commodities, and real estate with the aid of Federal Reserve bank credit. In this way, it was hoped, the policies of the Federal Reserve System would not encourage overspeculation by pouring funds into the stock market as in 1927-1929.

The Securities Act of 1933, "the Truth-in-Securities law," offered strong protection to investors. Nothing had been more shocking than the Senate revelations regarding the way in which investment houses had willfully misrepresented millions of dollars' worth of dubious securities. Reformers cited Louis D. Brandeis' book, *Other People's Money* (1913), which called attention to England's practice of requiring financiers to furnish accurate detailed information to investors regarding securities on sale. Roosevelt urged the idea upon Congress, "It puts the burden of telling the whole truth on the seller." People who handled "other people's money," he said, were trustees for the investor. As a result, the act stipulated that new flotations of securities must be registered with the Federal Trade Commission (later transferred to the Securities and Exchange Commission) and that full and accurate information must be provided by the seller.

To regulate the stock exchanges and discourage market manipulation, Congress passed the Securities and Exchange Act in June, 1934. This provided for a five-member Securities and Exchange Commission, which dealt not only with stock market abuses but also replaced the FTC in administering the Securities Act (Truth in Securities). All security companies affiliated with stock exchanges had to file detailed information regarding their organization and their trading activities. A long list of unfair practices ranging from "wash sales" to "straddles" was declared illegal. The law evoked a storm of Wall Street protest, but this was soon stilled, particularly after Richard Whitney, the former head of the New York Stock Exchange, went to jail for larceny.

Raising Farm Prices and Income

High on the agenda of the crowded "hundred days" was the Agricultural Adjustment Act. The desperate position of the farmers, revealed by their receptivity to any and all inflationist panaceas, made drastic action imperative. No political leader could afford to adopt a laissez-faire attitude and wait for farm bankruptcies to establish an equilibrium between supply and demand. Hoover's policy in purchasing surpluses had actually encouraged overproduction; for this reason some form of crop restriction like acreage reduction appeared necessary.

On the assumption that the depression was largely due to domestic causes, Roosevelt's brain trusters emphasized internal remedies rather than international price-raising programs. The crystallizing philosophy of the New Deal embodied the ideal of the government as an agency that would equalize agriculture with industry, labor with capital, and consumption with production. Hence the President's inner circle welcomed with open arms the "equality for agriculture" program—later known as parity—proposed by Professor M. L. Wilson of the Montana State College for Agricultural and Mechanic Arts at Bozeman. As editor of *Iowa Homestead and Wallace's Farmer*, Secretary Wallace had been keenly interested in Wilson's idea of raising prices by crop allotment. Temporarily eclipsed was Cordell Hull, who stressed international agreements and drastic tariff cuts, especially through reciprocal treaties, as the chief approach to recovery.

On March 16 Roosevelt sent to Congress his farm relief message asking for reduction of acreage in certain basic crops and for credit relief to farmers who were in immediate danger of losing their homes, and calling for immediate action so that crop restriction could go into effect before the spring planting. "I tell you frankly," he said, "that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture." The resulting Agricultural Adjustment Act, passed in May, 1933, declared as its objective the reestablishment of farm prices at a level "that will give agricultural commodities a purchasing power with respect to articles farmers buy, equivalent to the purchasing power of agricultural commodities in

the base period—August, 1909–July, 1914.” During these years agriculture had approached the equality to industry envisaged by Professor Wilson.

The AAA, as it quickly became known, sought crop and acreage restriction primarily by means of government contracts that provided attractive benefit payments or commodity loans to cooperating farmers. Beginning with the basic staples—wheat, cotton, corn, hogs, rice, milk, and tobacco—the list of restricted crops was steadily expanded. To finance the program, a processing tax was levied at intermediate points such as cotton mills, and from there was passed on to the ultimate consumer. George N. Peek, a manufacturer of farm implements who had been active in the McNary-Haugen agitation of the twenties, was appointed to enforce the act. An army of AAA agents drove through farm counties to persuade farmers to plow under or otherwise reduce their crop production. According to Ernest K. Lindley, who was sympathetic to the New Deal, even the southern mules that drew the plows were outraged at having to tread down young cotton plants which they had painstakingly learned to avoid. Cotton immediately rose from the ruinous price of five cents per pound in 1932 to nine cents, and soon afterward to twelve cents, which was considered a fair price. Cotton growers plowed under, or otherwise eliminated, some ten and a half million acres out of a total of forty million.

The farmers' cash income rose from \$4.5 billion in 1932 to \$6.9 billion in 1935. Nevertheless, it was difficult to make the average man see that the wholesale slaughtering of pigs was equivalent to similar restrictive policies in agriculture and industry, and to convince Father Coughlin's radio converts that restriction was not a criminal extension of "want in the midst of plenty." Hoover characterized this program as being "an economy of scarcity" rather than abundance. Other opponents emphasized the new burdens put on urban workers by the processing taxes, to which they attributed an exaggerated influence on the urban cost of living. Still others pointed out that while the New Deal was seeking to restrict world grain exports by agreements with Canada, Argentina, and Australia, wheat production was being subsidized by Mussolini, Hitler, and even democratic France. The AAA program was commonly charged with sacrificing our own foreign markets in favor of our overseas com-

petitors. But it was supported by the farmers, who had been severely derogatory of the program advocated by Coolidge and Hoover.

Aiding the Mortgage Holder

The New Deal struck out boldly at the critical problem presented by the \$12 billion of farm indebtedness, three-fourths of which consisted of mortgages. Because the orthodox methods undertaken during Hoover's administration had failed to stem the flood of foreclosures, the new administration saw clearly that many bad risks would have to be assumed by the government and that this would mean numerous defaults. The Emergency Farm Mortgage Act made it possible to refinance farm loans over generously extended periods at reduced interest, and the Farm Credit Act gave some relief to farmers with short-term obligations. To simplify and coördinate the government's credit agencies, both new and old, the President consolidated all of them in a centralized Farm Credit Administration. By 1936 the federal government had assumed or underwritten some 40 percent of the total farm mortgage debt.

Small homeowners who faced eviction were saved by the Home Owners' Loan Corporation, capitalized at \$200 million from the funds of the Reconstruction Finance Corporation and authorized to issue interest-guaranteed bonds up to \$2 billion. These bonds were exchanged for mortgages, thus bringing in the federal government as a lenient creditor who was willing to wait fifteen years for repayment. Credit was also available for those who wanted to redeem property already foreclosed or to reduce other claims on their homes. When the HOLC ceased its lending operations in 1936, it had made over a million loans involving well over \$3 billion. It seems unquestionable that this agency played a major role in halting the wholesale collapse of real-estate values, with the attending tragic mass evictions.

The NIRA and Planned Economy

The crowning glory of the "hundred days" was the ambitious National Industrial Recovery Act, which was conceived by the administration as "a great coöperative movement directed by the Government." It sought to eliminate overproduction, destructive competition, and industrial planlessness, and at the same time it en-

couraged labor unions, imposed minimum wage and maximum hour limits, abolished child labor, and increased employment. The labor provisions were intended as a moderate substitute for Senator Black's impending thirty-hour-week bill—popularly dubbed the “share-the-work bill”—which would require a drastic, perhaps dangerous, reorganization of the nation's economy. Finally, the NIRA called for a huge public works program.

One aspect of this program, self-rule in business, originated among the large industries suffering from the price-cutting tactics employed by the more fiercely competitive small business units. In September, 1931, Gerard Swope, president of the General Electric Company, had proposed that industry consolidate itself into huge trade associations which would be authorized by the government to enter price-fixing agreements in order to stabilize prices. A similar plan was to be offered a few months later by the United States Chamber of Commerce as the result of a vote among its members. These plans not only implied the suspension of antitrust laws against trade associations but also meant government enforcement of price and production agreements. Hoover had rejected these suggestions, convinced that such plans would lead to Mussolini's corporate state or to some form of socialism; furthermore, he pointed out, obsolete plants and inferior management would be perpetuated by legalized price fixing. In his mind, such proposals constituted “the most gigantic proposal of monopoly ever made in history.”

Roosevelt looked upon the NIRA as a vital step in the direction of national planning. “History,” he declared optimistically, “probably will record the National Industrial Recovery Act as the most important and far-reaching legislation ever enacted by the American Congress. It represents a supreme effort to stabilize for all time the many factors which make for the prosperity of the Nation, and the preservation of American standards.” Opponents were not slow in comparing this attempt at a planned economy with Soviet Russia's Five-Year Plan, which was then enjoying considerable prestige abroad, especially in leftist circles. Members of the brain trust talked about the need for “a balanced and dynamic economic system” to replace the existing chaos of undisciplined competition. Coöperation among capital, labor, and government, the President believed, would achieve what state and federal legislation had ever failed to accom-

plish. Members of the United States Chamber of Commerce who assembled in Washington early in May, 1933, went so far in reaffirming their demand for government aid in regulating competition as to recommend that the government adopt compulsory methods. Labor leaders likewise seemed willing to strike a bargain in order to guarantee collective bargaining and large-scale public employment.

The National Industrial Recovery Act, which became law on June 16, 1933, permitted trade and industrial associations to draw up codes of fair competition subject to the President's approval. Considerable authority was delegated to Roosevelt to impose codes in industries where none existed and to enforce them through his licensing power. Antitrust laws were relaxed to permit the codes to operate. Most famous of the provisions was Section 7(a), which guaranteed labor's right "to organize and bargain collectively through representatives of their own choosing, . . ." free from interference by employers. Company unions were discouraged, although not banned. Under administration pressure the code provisions set the minimum wage usually at \$15 a week, reduced working hours in most instances to forty hours per week or less, and forbade child labor. Regarding the wage provisions of the act, the President said that "no business which depends for existence on paying less than living wages to its workers has any right to continue in this country."

The second section of the NIRA outlined a huge public works program, such as Senator Wagner of New York had persistently advocated for several years. A total of \$3.3 billion was allocated for highway projects, flood control, inland navigation, and naval construction; in addition, a series of large loans or outright grants was made to needy local governments. Such a plan, it was hoped, would "prime the pump" of dormant private enterprise. To administer this part of the act, the Public Works Administration, headed by Secretary of the Interior Ickes, was created.

The man chosen as administrator for the NIRA was the belligerent General Hugh S. Johnson, who had helped to write the draft regulations in force during World War I and had served on Bernard Baruch's War Industries Board. Convinced that the high-pressure application of World War I psychology was needed to defeat the depression, and wishing to avoid expensive and unpredictable court contests, he turned to public opinion as a weapon to keep "chiselers"

(a term he popularized) in line. His rugged personality and the choice epithets he reserved for unfriendly critics were enlisted in an effort to make the Blue Eagle emblem a respected symbol of compliance with the NIRA. Jeering newspapermen, no less fertile as far as epithets were concerned, promptly lampooned this campaign "ballyhoo" and did much to reduce the potency of the Blue Eagle.

"Nobody Is Going to Starve"

After the NIRA was set up to stimulate the economic machine, there still remained the pressing problem of relief; to meet this, the administration resorted to bold measures. It adopted the idea of work camps, still in a tentative stage in Europe, in the form of the Civilian Conservation Corps, which employed some 300,000 young men from relief-supported families for work on soil conservation and forest protection projects. This had a twofold result: it saved idle youths from the hazards of delinquency and it removed their impoverished families from relief rolls since a CCC youth had to contribute a substantial portion of his salary to his family. In addition, the nation's natural resources were benefited by reforestation, by the prevention of costly soil erosion, and by flood control; even more important, two million young men were taken by 1938 from hopeless situations in the city to live and work in well-equipped, healthful camps where they could learn a trade.

The Federal Emergency Relief Act of May, 1933, shifted the burden of relief from the hard-pressed localities to the federal government. It set up the Federal Emergency Relief Administration to dispense direct relief up to a half-billion dollars. Half of this amount was granted to the states at a ratio of one dollar of federal funds to every three dollars spent locally; the other half was available to those states which were in such financial straits that they lacked funds for relief. Whereas Hoover had not gone beyond approving a \$300 million loan to needy states, Roosevelt went much farther and even canceled eventually the state's liability for the Hoover loan. "Nobody is going to starve in this country," said the President.

A significant beginning was made in the field of slum clearance and low-cost housing projects, exceeding in amount the RFC loans that Hoover had obtained for this purpose. The Housing Division of the PWA spurred on efforts to replace dwellings in the decaying sec-

tions of the large cities and provide large-scale employment. In addition, the same purpose was served through federal loans to the localities. Unlike similar relief efforts during the Hoover era, the PWA tried so far as possible to boost rather than depress local wage standards. However, the total results during the first term were quite modest as far as slum elimination was concerned.

To aid small property owners and to stimulate private residential construction, Congress passed the National Housing Act of June, 1934, out of which came the important Federal Housing Administration. New construction was greatly stimulated by this system of federally insured mortgages with low interest rates and a long period for repayment. In addition private loans were guaranteed for homeowners who wished to repair or improve their property.

The WPA

A temporary increase in unemployment during the winter of 1933-1934 compelled the New Deal to speed up the relief measures already put in effect under the PWA. To meet the emergency, the Civil Works Administration was hastily set up in November, 1933, as a branch of the Federal Emergency Relief Administration to provide immediate work at prevailing wage rates for some four million persons, half of whom were to be drawn from relief rolls. Projects were selected practically overnight and too many of them were in the "leaf-raking" class in order that there should be no ground for claims that the government was competing with private industry. Consequently the entire program aroused such ridicule in the press that the CWA was hastily abolished in March, 1934.

In January, 1935, Roosevelt asked Congress to enact new relief legislation which would benefit some five million families. He suggested that the "unemployables" who had weighted down the CWA rolls be referred to their local relief agencies, and that the latter be assisted by grants of federal funds. In this way an estimated 3,500,000 able-bodied but unemployed individuals, primarily people on relief, would be given work on useful federal projects and would be paid a "security wage," i.e., an amount below prevailing wage rates but substantially above relief allowances. This became the core of the Works Progress Administration created by the Emergency Relief Act of April, 1935, and headed by Harry L. Hopkins of the FERA. Of the

huge sum of \$4,800,000,000 appropriated under the new act, \$1,400,000,000 was allotted to the WPA.

The new agency quickly set up numerous projects of extremely diverse types. Manual laborers built long networks of roads across the country. Skilled women were employed on practical sewing projects. Long-idle professional and white-collar workers received up to \$94 a month for musical, theatrical, art, educational, and literary projects. Although critics deplored the high cost of this type of relief, New Dealers stressed the social value of conserving the skills which the depression had left unutilized. On June 26 a special relief agency, the National Youth Administration, was established within the WPA. The NYA provided vocational training and employment especially for needy high-school and college youths.

The Program of Social Security

By the beginning of 1935, the President was convinced that something more than emergency relief was needed, for the depression-nourished feeling of insecurity was leading to increased demands that the government itself underwrite economic security. For example, a coast-to-coast radio network regularly carried Father Coughlin's emotional medley of inflationary and reform proposals for "a living annual wage," which, it was implied, embodied the "social justice" program advocated by the papal encyclicals.

More threatening at the moment, however, was the "Share the Wealth" movement led by Senator Huey P. Long, the self-styled "Louisiana Kingfish" who had gained complete control of his state by methods somewhat similar to those used by European dictators. Castigating big business and oversize private fortunes, he threatened to tax these two groups so heavily that every family would be provided with a homestead and with the "reasonable comforts of life" to a value of \$6000. His buffoon-like coarseness concealed an iron will to power which aimed at nothing less than the Presidency itself, but he won popularity by his magnificent program of public works which culminated in the elaborate buildings constructed for Louisiana State University. Huey Long used the filibuster effectively in the Senate to block New Deal measures until his own more radical bills were accepted. In this way he secured the passage of the Frazier-Lemke Farm Mortgage bill, which was subsequently nullified by the

Supreme Court as confiscatory in tendency. On September 10, 1935, an assassin's bullet terminated the Senator's meteoric career.

Further pressure on the administration for fundamental social reforms came from the Far West. The former Socialist writer, Upton Sinclair, won the Democratic nomination for governor of California on his "Epic" platform—"End poverty in California." He proposed to set up a state emergency economy, reminiscent of early communistic experiments in this country, which would operate factories to employ the jobless and would provide subsistence homesteads in suburban areas. Raymond Moley derided the plan in the magazine *Today* as a "blessed retreat—back beyond industrial civilization . . . back to barter, back to nature." Other administration spokesmen, however, were frankly worried; at first they temporized with Sinclair but were reassured by the subsequent Republican victory.

Even more persistent than these Populistic programs was the Townsend old-age pension movement, which was particularly strong in California. Dr. Francis Townsend, its leader, promised everyone over sixty years of age \$200 a month on condition that it be spent within thirty days. In addition, this princely pension system, which was to be financed by a sales tax, would banish the depression by the large-scale spending that was an inherent part of the Townsend program. Townsend clubs spread all over the West and even crossed the Mississippi River; in 1935 their membership was estimated at from three to ten million people. Behind the Townsend movement was the undeniable political and sociological fact that, because of our declining birth rate and our increased life expectancy, persons over sixty years of age would constitute an ever-increasing proportion of the population. Here was a permanent problem, not merely one engendered by the depression. In addition to Townsend and Coughlin and the other radical reform leaders, there were the persistent Farmer-Laborites, the Communists and Socialists, and the liberals who subscribed to the tenets of the *Nation* and the *New Republic*.

In this portentous atmosphere the Social Security Act of 1935 took form; it stemmed from a social movement which had taken root in Europe at least as early as Bismarck's social insurance program of the eighties. The act was comprehensive in scope, if far more moderate than the programs outlined by Long, Townsend, and the leftist press. The question of constitutionality, which had begun to worry the

architects of the New Deal, was met by basing the act on the powers reserved to the states under the Tenth Amendment and on the acknowledged taxing and spending powers of the federal government. Some of the states, especially since 1923, had pioneered in the field of old-age assistance, but the benefits were often pathetically small. To assist the aged who required immediate financial aid, the Social Security Act provided federal grants to states on a dollar-for-dollar matching basis up to a maximum contribution of \$15 per person per month. This was expected to stimulate backward states to set up old-age assistance plans as well as to make benefit payments more substantial.

Distinct from this feature of the act was a more elaborate provision for old-age insurance covering future dependency. This was a pension system, directly administered by the federal government, to which employers and employees contributed. Benefits were payable after the age of sixty-five on a scale corresponding only in part to previous payments made by and on behalf of the individual; in this way some adjustment was allowed for members of the low-income groups. About two-thirds of the employed were covered, but for various practical reasons agricultural and casual labor, domestic servants, people employed in nonprofit institutions, and the self-employed were excluded.

The provisions for unemployment compensation were extremely significant in view of the fact that the Farmer-Laborites and some of their radical allies were then demanding passage of the Lundeen bill, which offered a minimum payment of \$10 a week to all unemployed persons over eighteen years of age. The Social Security Act sought to protect workers against the hazards of unemployment as well as to stabilize the business cycle. To this end, state unemployment systems were aided by federal grants that covered administrative costs. Pay rolls were taxed to provide unemployment benefits which were paid to the recipients by public employment agencies ready to examine unemployment claims and to prod those who found labor distasteful. Here again, as in old-age insurance, large groups—almost the same ones in both cases—were excluded; nevertheless, by 1940 over 28,000,000 individuals had been aided by the unemployment provision.

Nor was this all. The act provided for federal aid in child welfare work, vocational rehabilitation, especially for the handicapped, aid

to the blind, and public health services. To administer the act, a Social Security Board with regional branches was created. Although several serious technical defects appeared, there were few people who could disagree with the President's statement that the Social Security Act is the most fundamental law ever passed in behalf of American wage earners.

Equally calculated to take the wind out of the sails of Huey Long's Share-the-Wealth plan were the President's tax proposals to Congress on June 18, 1935. Arguing that wealth was the result of community as well as individual effort, Roosevelt called for "a wider distribution of wealth" to be effected through federal taxes on inheritances and gifts, and through higher corporation taxes. "The transmission from generation to generation of vast fortunes by will, inheritance, or gift," he said, "is not consistent with the ideals and sentiments of the American people." Opponents at once labeled this the "soak-the-rich" bill and charged that it was dictated by political expediency rather than considerations of revenue. In the Revenue Act of 1935, Congress struck out the federal inheritance tax but imposed substantial estate and gift taxes and a higher graduated income tax on corporations and individuals.

TVA: Blueprint of the Future

Roosevelt and his supporters found time during the first few months for a gigantic planning experiment that, in his own words, had "no parallel in our history." The recently completed Five-Year Plan of the Soviet Union had stimulated the proponents of economic planning everywhere; but Roosevelt's interest antedated this, for as governor of New York he had been active in the planning movement which sought to determine the best use of the state's thirty million acres by classifying each ten-acre square. Now, after conferring with Senator Norris, the President decided to convert the long-controversial Muscle Shoals property into a land-use project covering the entire Tennessee Valley. "By controlling every river and creek and rivulet in this vast watershed," he wrote some time later, "and by planning for a highly civilized use of the land by the population of the whole area, we believed that we could make a lasting contribution to American life." He asked Congress to create the Tennessee Valley Authority which would be empowered to develop the sec-

tion's power resources and to deal with flood control, soil erosion, afforestation, the elimination of marginal land, and the industrialization of the region. A new Nile River was envisioned which would fructify the decaying Southeast, and it was hoped that other regions would eventually be benefited by similar projects.

The Tennessee Valley Authority, which was created on May 18, 1933, consisted of a three-member board entrusted with the economic development of a region comprising 640,000 square miles. A moribund government investment of nearly \$165 million was to be revitalized. The Authority could sell any surplus power produced, but governmental and cooperative organizations were to be given preference as purchasers. As Norris put it, the TVA would serve as a regulatory standard—a "yardstick"—for measuring the unit cost of electrical power and determining fair rates to be charged consumers by private companies. The New Deal's invasion of the Tennessee Valley was deeply resented by the Commonwealth and Southern system, which had hitherto served this area. Its president, Wendell L. Willkie, challenged the fairness and validity of the TVA's yardstick as applied to private utilities and sought to protect his company's property interests by blocking the power-distributing activities of the TVA.

The Commonwealth and Southern Corporation operated power plants in eleven states, including six in the South. Its bitter war against the TVA was considered by Republicans as a struggle of free enterprise for survival against the planned economy of the New Deal. Willkie tried to persuade the TVA to sell its power business to the Tennessee Electric Power Company; when he failed, he sold this thirty-five-year-old subsidiary of Commonwealth and Southern for \$30 million more than TVA officials were at first ready to pay. His leadership in the battle against public power made him the champion of those who feared that the New Deal was heading for complete socialism.

The TVA had come to the land of Daniel Boone, where pioneer Anglo-Saxons still lived in a one-crop area of exhausted soils, eroded hills, sharecroppers, tenants, and prevailing malnutrition. Its standard of living was compared unfavorably with that of the peasants of eastern Europe. Floods often swept away houses, livestock, and other property. Inefficient factories cut down valuable hardwood forests

and destroyed vegetation and soil with their chemical wastes. Electrical power was too expensive for the people of the valley; to extend power lines considerably in this rural area seemed commercially unfeasible.

By January, 1941, TVA was supplying electric power at greatly reduced rates to 425,000 householders, many of whom were enjoying the benefits of electricity for the first time. The sale of radios, irons, washing machines, and other electrical appliances outdid most other parts of the country. David Lilienthal, one of the three original directors, wrote in 1944 of the social revolution in the valley: "Power has come to the farms of this region, 85,000 of them in seven states, about one in every five. Ten years ago, there was electricity on only one Mississippi farm out of a hundred; in Georgia, one out of thirty-six; in Tennessee and Alabama one in twenty-five. . . . There are refrigerators in the kitchens. . . . There are hay driers in barns, freezing lockers in the crossroads stores. There are community food dehydrators, small motors to grind feed, cut the wood, turn a small lathe. Power is curing hams, processing sweet potatoes, cooling milk in the new dairies." Cheap phosphate fertilizers from TVA plants revived the soil; demonstration farming diversified the crops and increased production many times over. Cities in the valley like Knoxville, Nashville, and Chattanooga received a tremendous economic impetus.

Flood control and navigation improvement were not intended as a mere window dressing to conceal a plot to drive private enterprise out of the country, as charged. The Tennessee River even changed its color from drab-muddy gray to blue as the process of erosion was halted. Periodic floods that wreaked havoc upon the people of the Mississippi River valley in 1942 and 1943 met their match in the mechanical controls of the TVA dams. At the same time TVA engineers reduced the usual water pressure that the Tennessee and its tributaries exercised at Paducah upon the Mississippi, thus moderating the violence of the floods. An extensive commercial shipping now covered the river while its banks provided a national recreation park. When the war broke out, TVA modernized the ammonium nitrate plant at Muscle Shoals and turned to the large-scale manufacture of munitions. By 1944 the vast \$700 million TVA plant (65 percent was a power investment), which was the greatest of its kind in the world,

seemed, according to Lilienthal, well on its way to repaying at least principal to the taxpayer at an early date.

Enthusiasts like Roosevelt looked upon a future America enriched by eight or ten TVA's. Norris Dam appeared to be a symbol of a planned economy. In 1937, the War Department completed its huge Bonneville Dam, which spanned the Columbia River about forty-two miles northeast of Portland. This not only supplied electricity for an extensive area but also made the Columbia navigable for sea-going vessels as far as The Dalles. Ingenious fish ladders helped the salmon safely to ascend the river past the dam to their spawning grounds. The Bureau of Reclamation undertook the giant Grand Coulee Dam, also along the Columbia River, reaching 550 feet in height and 4100 feet in length. It provided irrigation water for a million acres and electric power to all parts of Washington.

Crusaders for public power won another victory in the Flood Control Act of 1938, which not only gave the federal government title to all flood control dams, reservoir projects, and other related properties but also empowered it with authority over potential electric power sources. The dream of cheap power and conservation had gone far since the days of Theodore Roosevelt. Unified regional planning over a complete river watershed seemed on the way to realization. Already men were debating a Missouri Valley Authority and a progeny of TVA's for India, China, Brazil, and the Near East.

Curbing the Power Companies

During 1935 Roosevelt concentrated upon checking the speculative activities of the electrical power industry. The crash of the Insull utility empire and the trial of its founder had focused attention upon the use of holding companies by electrical interests to achieve economic and political influence on a national scale. Many investors had lost everything because of stock manipulation by insiders entrenched behind the complicated structure of the holding company, which only accountants could fully understand. State regulation had proved unsatisfactory because state utility commissions, as the Frank L. Smith and Varc cases showed, were too amenable to the pressures of the utility magnates. Congressional investigations during the Coolidge era had uncovered monopolist pressures and improper lobbying among utility men. Roosevelt was also influenced

by the Brandeis-Wilson philosophy, which favored well-integrated efficient units as against irrational bigness.

The resulting Public Utility Holding Company Act of 1936 set up a strict regulatory system under the Securities and Exchange Commission. Most famous was the "death sentence clause" (Section 11), which called for the simplification or elimination of all types of holding companies after January 1, 1938, except those forming a "geographically and economically integrated system." The Federal Power Commission was given control of the interstate transmission of electric power, as well as authority to investigate rate schedules. The utilities, smarting under the competition of the TVA and the financing of numerous municipal power plants by the PWA, were dealt another blow by this new legislation. After challenging it unsuccessfully in the courts, they sought to defeat the New Deal at the polls.

Fall of the NIRA

On May 27, 1935, by a unanimous decision in *Schechter Poultry Corporation v. United States*, the Supreme Court struck down the important National Industrial Recovery Act. The Court held that the NIRA infringed state control over purely intrastate commerce, the business done by the Schechter Poultry Corporation being confined primarily to New York. Arguments pleading the existence of a national emergency were dismissed. "Extraordinary conditions," wrote Chief Justice Charles E. Hughes, "do not create or enlarge constitutional power." The code-making authority conferred on Roosevelt by Congress was denounced by the Court as an unconstitutional delegation of legislative power. This decision placed the rest of the New Deal program in jeopardy. Roosevelt, deeply disappointed, declared that this case was the most important since the Dred Scott decision and that the major issue was whether the federal government could control any national economic or social problem. The Supreme Court, he was reported to have said, had relegated the powers of the federal government to the "horse and buggy age." Social workers reported a sudden spurt in child labor in factories.

The blow to the New Deal proved far less severe than was anticipated. An economic revival had already begun, and the ground lost here was recovered subsequently by other labor legislation. Small businessmen had long complained that the codes were written by the

large corporations which dominated each industry and that they inserted provisions that harmed the smaller producers. In his earlier report as chairman of the National Recovery Board of Review, Clarence Darrow supported these contentions in the following words: "Monopolists [are] expected to execute a law against the law by which they operate, with the result that the biggest producers will survive and the smallest merchants be driven out of business." That manufacturers were irritated by the generous concessions to labor was evident in a poll conducted at the end of 1935 by the National Association of Manufacturers, which revealed that its members were overwhelmingly opposed to the revival of the NIRA in any form.

Labor had enjoyed too direct gains from the NIRA, however, for defeat to be accepted without a struggle. Not only had this legislation stimulated more than twenty states to enact child labor laws, but the guarantee of collective bargaining had inspired a wave of unionizing unknown during previous depressions. Working conditions had improved demonstrably in such bitterly competitive industries as cotton textile manufacturing and bituminous coal mining. In fact, pressure exerted by John L. Lewis of the United Mine Workers following the Schechter decision forced the enactment in August, 1935, of the "little NIRA" for soft-coal mines—the Bituminous Coal Conservation Act, commonly known as the Guffey Coal Act. Roosevelt urged Congress not to permit constitutional doubts, "however reasonable, to block the suggested legislation." This act contained the usual provisions for price agreements among operators and for guarantees as to hours, wages, and collective bargaining. It imposed a federal tax of 15 percent on the value or price of coal at the mines, 90 percent of which would be refunded to operators who accepted this new bituminous "code."

Shortly after the Schechter decision, Senator Wagner of New York secured the passage of the National Labor Relations Act, which re-established the National Labor Relations Board charged with the enforcement of collective bargaining under the NIRA. Company unions were banned, as was all other employer interference with unionizing activities. The new Board was stronger than its predecessor and had full authority to supervise elections in order to assure the free selection of employee representatives. Similar in organization to the Federal Trade Commission, which was concerned with fair trade prac-

tices, the NLRB could investigate an employee's charge of unfair labor practices (such as intimidation, espionage, discrimination, etc.) and summon the employer for a trial hearing. If the charges were upheld, the Board could issue a cease and desist order, enforceable in a federal Circuit Court of Appeals, to halt the abuse. Dissatisfied parties had the privilege of appealing through the regular courts on points of law.

Conservatives denounced the Wagner Act as class legislation; they pointed out that the power held by the NLRB as final judge of the facts—subject only to review on purely legal points—made that body “judge, jury, and prosecutor.” Liberals, however, regarded it as a counterbalancing force necessary to protect employees against the natural economic strength of employers.

End of Roosevelt's First Term

The shadow of imminent war in Europe compelled the President to go beyond preceding Republican administrations in subsidizing the merchant marine, for despite earlier reforms American ships were carrying an ever-dwindling tonnage. Postmaster General Farley insisted that the burdensome mail subsidies awarded to shipping be replaced by direct federal grants. The resulting Merchant Marine Act of 1936 not only effected this change but also created a new United States Maritime Commission, which was empowered to grant subsidies for construction and operation. In the event that these subsidies proved ineffective, the Commission could enter the shipbuilding business itself. Although this legislation was criticized by economists, its justification was more than apparent with the outbreak of World War II in 1939.

Business spokesmen feared that the cost of the New Deal would mean the heaviest peacetime tax burden in the nation's history. Hoover's administration, spurred on by an impatient Congress, had shown a total deficit of over \$5 billion during its last two years in office. This failure to balance the nation's budget drew Roosevelt's fire in 1932, but by the end of 1936 the administration had raised the total deficit to \$11,787,000,000. However, the veterans' bonus bill, which had been passed over Roosevelt's veto, accounted for no less than \$1,773,493,000 of this total. Another unforeseen item was the burden incurred by the Treasury when the Supreme Court invali-

dated the processing taxes of the AAA, thus throwing the cost of the program directly upon the government. The national debt set a new record at the end of 1936 when it totaled more than \$32.5 billion. But English economists pointed out that our total debt, including that of local and state governments, constituted only a quarter or a fifth of the burden carried by the average Briton.

There was indeed cause for optimism on the part of the Democrats in the economic situation on election day in 1936. Factory employment, according to the Bureau of Labor Statistics, had risen to 96.4 percent of the average for the middle 1920's, and pay rolls had shown a similar trend. The Federal Reserve Board's index of industrial production, which had dropped from 125 in 1929 to 58 in 1932, stood at 114 on November 1, 1936. Estimates made by the *Annalist* placed the index of business activity at 107.5 percent of normal. Roosevelt's political opponents now found sinister implications in the fact that relief and recovery expenditures continued unchecked, in spite of the improvement in business conditions. The millions who were dependent on federal largess in 1936 undoubtedly constituted a mighty political asset for the administration, but these votes could easily be garnered without resort to the direct bribery or intimidation charged by anti-New Dealers. Few conservatives of either party were willing to admit publicly that the New Deal had saved competitive capitalism from overthrow by making timely concessions to the rising demand for social security. The lessons to be learned from Fascist Italy and Nazi Germany were lost on too many of the President's critics.

Chapter 17

BROADENING THE NEW DEAL: 1936-1941

Party Realignments of 1936

On June 9, 1936, the Republican national convention met in Cleveland, hoping to reverse the overwhelming Democratic victories of 1932 and 1934 which had swept the GOP strongholds of the Middle West and the Pacific coast. Their strategy was suggested by former President Hoover when he compared the New Deal with the Communist and Fascist dictatorships in Europe and proclaimed a "holy crusade for liberty" to combat the regimentation and collectivism now held in check only by the Supreme Court. So enthusiastic was the forty-minute demonstration which followed his speech that certain observers were of the opinion that Hoover had renominated himself. Party leaders, however, had decided to bid for middle western support by nominating Alfred Landon of Kansas, who had been reelected governor in spite of a sectional tidal wave for the Democrats. Landon's record as a budget balancer endeared him to those who assailed New Deal extravagance, and his support of the Bull Moose ticket in 1912 could be expected to attract progressives. His nomination on the first ballot was virtually unopposed. The vice-presidential nominee, Colonel Frank Knox, was also a former Bull Moose enthusiast and the publisher of the independent *Chicago Daily News*.

"America is in peril," warned the Republican platform as it berated the Roosevelt administration for its "frightful waste and extravagance" and its bureaucratic organization in the interest of partisan politics. The administration was accused of prolonging the

depression by frightening business and by flooding our markets with foreign goods as a result of Hull's reciprocal trade agreements. The Republican platform writers, however, were careful to avoid giving the impression that they advocated the abolition of Roosevelt's major policies such as social security, relief, and soil-conservation subsidies to farmers; but they maintained that these aims would be best fulfilled through the honest and efficient administration of the GOP. Relief problems must be turned over to "nonpolitical local agencies familiar with community problems." Further devaluation of the dollar was denounced, and Landon declared publicly that he favored a return to the gold standard—but only when this could be done without injuring the farmers. He also promised to extend the scope of the merit system and to recommend a constitutional amendment, if necessary, to abolish child labor and to protect the hours and working conditions of women in industry.

Even before the Democrats met in Philadelphia a significant bolt of northern and southern conservatives under the leadership of Alfred E. Smith had occurred. The 1928 Democratic nominee had publicly criticized the administration's devaluation program and denounced the "boloney dollar." On January 25 he told the ultraconservative Liberty League that, in the event the New Deal was endorsed, true Jacksonian and Cleveland Democrats could "either take on the mantle of hypocrisy or we can take a walk, and we will probably do the latter." Smith eventually threw his support to Landon. Southern Liberty Leaguers attempted vainly to break up the New Deal's hold on the deep South by supporting the tempestuous Governor Eugene Talmadge of Georgia for President on an antiquated "white-man supremacy" and states' rights platform. In August, a short-lived conservative group, the "Jeffersonian Party," won the support of such prominent rebels as Bainbridge Colby, Wilson's Secretary of State; John W. Davis, Democratic presidential nominee in 1924; Lewis Douglas, Roosevelt's erstwhile Director of the Budget, and Alfred E. Smith himself. Here indeed was a sharp social and economic break among the Democratic leaders of the 1920's. This party schism, arising from the unusual urgency of economic issues, was more than offset by a similar but less publicized Republican split caused by the desertion of low-income groups to the New Deal standard.

The Democratic convention proudly pointed to the party's record of social reform and made the New Deal philosophy the chief campaign issue. Cautiously avoiding a direct attack on the Supreme Court's power to veto unconstitutional legislation, the platform nevertheless asserted the right of Congress to legislate nationally on relief, labor conditions, and soil conservation. Roosevelt supporters secured the abolition of the historic two-thirds rule which had hitherto enabled a minority section—usually the South—to block a candidate's nomination. Southern opposition to this move was particularly strong. As anticipated, the convention renominated Roosevelt and Garner by acclamation.

Ominous charges that fascism had become naturalized in America were heard during the summer of 1936 when a new Union party was formed. It nominated for the Presidency its founder, Representative William Lemke of North Dakota, an advocate of radical agricultural reforms, inflation, and extreme isolation in foreign affairs. His program, which included limitations on income and inheritance and restraints on finance and monopoly, was reminiscent of old-fashioned Bryanism. Lemke formed an alliance with the blatant but influential Father Charles Coughlin of Royal Oak, Michigan, and his National Union for Social Justice, an organization which claimed eight million members and supported radical monetary policies and a nebulous "living annual wage." The radio priest, who had backed Roosevelt in 1932, now publicly denounced him as a "betrayal and liar," "a scab president," and a "double-crosser." Both he and Lemke were apparently convinced that the "international bankers" had won control of the administration in an effort to prevent the masses from wielding financial control. Townsendites, now organized as Old Age Revolving Pensions, Ltd., were sympathetic to the Union party, for it promised more than the modest pension payments under the Social Security Act.

A New Deal Landslide

To political scientists, the 1936 campaign marked a unique economic division between parties comparable only to that during the battle of 1896. Perhaps three-fourths of the metropolitan press, itself a distinct group of large business enterprises, fought the President's

reelection. The small sector of big business which had supported Roosevelt in 1932 had largely deserted him for Landon; the huge steel and chemical interests in particular and William Randolph Hearst joined Wall Street in financing him. The Republicans' campaign expenditures totaled almost \$9,000,000, as against \$5,194,741 for their opponents. Most significant for the Democrats was organized labor's contribution of \$770,218. Grateful liquor and tobacco interests and the sympathetic motion-picture and theater industry also backed Roosevelt.

Democrats pictured Landon as a wealthy oil promoter and claimed that his budget-balancing record as governor was made possible only by federal funds and a disregard for human suffering. Father Coughlin's radio thrusts against the President were parried by the strong defense of the New Deal made by Monsignor John A. Ryan of Catholic University, who had long been considered a genuinely progressive exponent of the papal encyclicals on labor. The "old guard" Socialists broke with Norman Thomas' leftist followers and joined the American Labor party (primarily a New York State faction) in its support of the New Deal. To Landon, who sought to stress liberal aims, the backing of the ultraconservative Liberty League was a distinct liability. In campaigning, he found it difficult to convince disaffected Republicans that his election did not mean the cancellation of recent social gains. Organized labor was apathetic to his appeals.

Election day, as James Farley had predicted, brought a Democratic landslide which gave the President the electoral vote of every state except conservative Vermont and Maine, or a total of 523 to Landon's 8. His popular vote increased from 57.3 percent of the total in 1932 to 60.7 percent. The already large Democratic majorities in both Houses were increased by four Senators and fourteen Representatives. State and local results brought corresponding victories to the jubilant Democrats. Lemke's ambitious dream for himself and his Union party vanished when he polled only 891,858 votes. Even Norman Thomas, who had won almost 900,000 Socialist votes in 1932, lost heavily to the New Deal, receiving only 187,342 in 1936. The Communist candidates, Earl Browder and James W. Ford, the latter a Negro, polled slightly over 80,000, a decline of 22,000 since

the preceding election; this, however, was probably due to the exclusion of Communist party candidates from the ballots of various states.

"Nine Old Men"

To Roosevelt, the election results constituted a mandate for the continuation and extension of his policies. In his second inaugural address on January 20—a new inauguration date established by the Twentieth Amendment—the President stressed the government's responsibility for the economic and social well-being of its citizens and hinted at sweeping future reforms. "The Constitution of 1787," he observed, with an eye to the conservatives on the Supreme Court bench, "did not make our democracy impotent." Turning to the pressing economic needs of the day, he said in challenging words which were swiftly broadcast throughout the country, "I see one-third of a nation ill-housed, ill-clad, ill-nourished."

With half a dozen key New Deal laws awaiting court tests, Roosevelt and his advisers were determined that the "nine old men" of the Supreme Court should not destroy their program. No administration had suffered as many major court reversals as Roosevelt's. A unanimous court had nullified the NIRA as a violation of the separation of powers and the interstate commerce clause. A majority had killed the first AAA as an abuse of the taxing and spending power and also of the reserved powers of the states protected by the Tenth Amendment. They had thrown out the Railroad Retirement Act, the Frazier-Lemke Farm Mortgage Act, the Federal Municipal Bankruptcy Act, and still other major laws. In the *Tipaldo* case the justices nullified New York State's minimum wage law as a violation of the Fourteenth Amendment. Progressives had long attacked the Court for creating a "twilight zone" of impotence between the powers of the national and state governments. On the one hand, Congress seemed unable to pass such measures as the minimum wage law because in so doing they invaded the reserved power of the states under the Tenth Amendment; on the other hand, the states could not do so either, because they might violate the Fourteenth Amendment.

Looking over the long battle of progressive statesmen against the Supreme Court since the era of Altgeld and Bryan, New Dealers

complained of the limited gains in social legislation. In *Muller v. Oregon* (1908), it was true, the High Court had reversed itself by sanctioning a state law granting shorter hours for women, but the Court had resisted minimum wage laws for women in the District of Columbia and overthrown Wilson's child labor law. The unions, too, were dissatisfied, for they had long resented the Court's support of "yellow-dog" contracts and other antiunion practices of the twenties.

The emphasis on "nine old men" was unfortunate, for the oldest justice was the great liberal, Louis Brandeis, then eighty-one years of age; together with Stone and Cardozo, sometimes joined by Hughes and Roberts, he had kept an even course in defending progressive legislation. Among the arch-conservatives, Van Devanter and Sutherland (as was not generally known) would have retired before this had Congress not procrastinated in passing a judicial retirement act. These two had resented the ingratitude of the Congressmen, who had cut the compensation of the revered Oliver Wendell Holmes, Jr., when he had retired in 1932 at the age of ninety-one.

In his judiciary message of February 5, Roosevelt proposed that for each judge in a federal court who failed to retire at the age of seventy the President be entitled to name an additional member. The suggested maximum of judges for the Supreme Court was put at fifteen, and that for all other federal courts at fifty. Federal judges were required to advise the Attorney General in advance regarding all decisions involving constitutionality and to expedite appeals to the Supreme Court. Pointing out that court dockets were crowded and that delay constituted a denial of justice, Roosevelt recommended that the Supreme Court appoint a proctor to facilitate its calendar and that judges of the lower federal courts be transferred as needed to meet any regional pressure. This was Roosevelt's plan to infuse new blood into the Court. "Little by little," he asserted, "new facts become blurred through old glasses fitted, as it were, for the needs of another generation. . . ."

The war was on, but Roosevelt's control over Congress proved unavailing. A bipartisan group of Senators, led by the hitherto-progressive Democrat, Burton K. Wheeler, attacked the "Court-packing" plan and denounced the President as a would-be dictator. Curiously enough, it was Wheeler who had run with La Follette in 1924 on the

Progressive party's platform that called for a constitutional amendment enabling Congress to reenact laws nullified by the Supreme Court. The Gallup poll encouraged the Wheeler forces by showing that 59 percent of the people opposed any real curb on the power of the High Court.

Meanwhile, even prior to Roosevelt's prodding, the Supreme Court justices had switched to a more realistic position and began to uphold practically all of the basic New Deal laws before them. Just before Christmas, 1936, the Court (with Roberts joining the consistent liberals) upheld a Washington (D.C.) minimum wage law, thus overthrowing the precedent of *Adkins v. Children's Hospital* (1923). In other cases they strengthened the state's police power, i.e., the power of the state to legislate for the health, morals, safety, and well-being of its citizens.

Most decisive of all was the new interstate commerce doctrine set down in Chief Justice Hughes' opinion which upheld the controversial Wagner Labor Act. In *National Labor Relations Board v. Jones and Laughlin Steel Corporation* (1937) the liberal majority—again with Roberts—rejected a Circuit Court ruling that the NLRB was exceeding its authority in ordering a Pennsylvania firm to reinstate ten employees dismissed for union activities. Hughes, in the majority opinion, denied that the present case resembled the *Schechter Poultry* situation in the NIRA case, when a purely local business had come under federal regulation in violation of the Tenth Amendment. He pointed out the extensive interstate ramifications of the Jones and Laughlin Steel Corporation, a highly integrated national firm with iron and steel plants and mines in Pennsylvania, more mines in Michigan and Minnesota, four ore steamships on the Great Lakes, numerous railroad affiliates, and a score of sales offices in as many cities. The Chief Justice went on to outdo John Marshall in the expansion of the power of Congress to regulate interstate commerce. He stated emphatically:

We are asked to shut our eyes to the plainest facts of our national life and to deal with the question of direct and indirect effects in an intellectual vacuum. Because there may be but indirect and remote effects upon interstate commerce in connection with a host of local enterprises throughout the country, it does not follow that other industrial activities do not have such a close and intimate relation to interstate commerce as

to make the presence of industrial strife a matter of the most urgent national concern. When industries organize themselves on a national scale, . . . how can it be maintained that their industrial labor relations constitute a forbidden field into which Congress may not enter when it is necessary to protect interstate commerce from the paralyzing consequences of industrial war?

Here was the liberal formula of interstate commerce which made it possible for the Supreme Court thereafter to uphold the most novel New Deal laws: the Social Security Act, the second AAA, the Fair Labor Standards Act, the gold abrogation law, and more. The Court rejected the precedent of *Hammer v. Dagenhart* (1918), which had annulled Wilson's child labor law on the ground that it violated the Tenth Amendment and was unjustified by the conventional interpretation of the interstate commerce power. Lawyers argued that the Court had not actually changed its mind, but that the newer legislation was much more skillfully drawn up and defended; but most people saw a revolution in the Supreme Court. An era of peace between the Supreme Court and Congress had begun without the judicial reform demanded or even new appointments. "We did it!" said the President jubilantly, though perhaps unfairly.

Then came Justice Van Devanter's announcement of retirement, prodded by Senator Borah, who was now hurrying a Court retirement bill through Congress. Other retirements followed in quick succession. Roosevelt was able to make his first Supreme Court appointments: Senator Hugo L. Black of Alabama, the ardent New Dealer and civil rights advocate; Professor Felix Frankfurter of the Harvard Law School, architect of several major New Deal laws; William O. Douglas, the vigilant head of the Securities and Exchange Commission; Robert Jackson, a loyal supporter in the war on the judiciary; and some of less lustrous background. Roosevelt continued to fight for his Court bill, but he was deserted by many of his own party and weakened by a bitter newspaper attack which portrayed him as a dictator comparable with Hitler and Mussolini. The Senate Judiciary Committee reported on June 14, 1937, that the bill was "needless, futile, and utterly dangerous."

But the Court would no longer obstruct the New Deal. In keeping with the "sociological jurisprudence" of Oliver Wendell Holmes, Jr., it ceased to substitute its own judgment, as in former days, for that

of Congress or a state legislature in deciding whether a given law was wise public policy. A turning point in Supreme Court history had been reached.

The Recession and the Housing Drive

In April, 1937, administration economists had become concerned over the sharp price rise in producers' goods. At his press conference on April 2, Roosevelt warned that certain basic materials such as copper and steel were experiencing an unjustified price rise "in an upward spiral which is at least a danger flag, judging by the past"; and he advocated a reduction in the construction of steel bridges and other permanent structures in which these high-priced materials were used. At the same time he observed that consumers' purchasing power was not keeping pace with price rises. These opinions were quickly ridiculed by business leaders and political opponents, who maintained that this was the time to curtail New Deal expenditures and to balance the budget. But by September, 1937, it was evident that the President's warning had not been unduly pessimistic, for the serious recession that began then wiped out most of the economic gains made since 1933. Not until the summer of 1938 did a decided upturn take place.

The recession afforded an ideal opportunity for attacks on the New Deal by an increasingly hostile press led by the *Chicago Tribune*. Even one-time supporters of the administration like Raymond Moley, General Hugh Johnson, and Walter Lippmann joined conservative columnists like Mark Sullivan and Westbrook Pegler in denouncing Roosevelt's advisers—particularly Thomas Corcoran, Benjamin Cohen, and Adolph Berle—and their proposals. Conservative Democrats led by Senator Pat Harrison of Mississippi, who was chairman of the Senate Finance Committee, were convinced that business must be reassured by substantial reductions in the taxes on undistributed corporate profits and capital gains. Secretary of the Treasury Morgenthau promised to initiate an economy policy that would balance the budget.

In this crisis the President called an extraordinary session of Congress for November 15, 1937, and in successive messages outlined a broad program of domestic legislation. Housing construction, he declared, had not kept pace with the need or with population growth;

at least 600,000 to 800,000 new dwelling units, costing some \$12 billion to \$16 billion, would be needed annually during the next five years. To revive the dormant construction industry would stimulate other industries; this would mean that the national income would rise and unemployment would be reduced.

The slum-clearance plan was more than a "pump-priming" expedient to defeat the recession. As already noted, the PWA had been active in this field since 1933. It had built or financed huge modern housing units for the low-income groups, such as the ambitious Jane Addams project in Chicago's "Bloody Eighteenth" ward. Enthusiasts had already announced the extinction of Memphis' "Greasy Plank" district, Atlanta's "Beaver Slide," and Cleveland's "Whisky Island." Private initiative, aided by PWA funds, undertook a slum-clearance drive in crowded New York City; the noteworthy Hillside units in the Bronx housed over fourteen hundred families. Some fifty-one low-cost housing projects were being operated by the PWA in October, 1937, when they were transferred to the newly established United States Housing Authority.

Far more intensive than the PWA experiments in low-cost housing was the Wagner-Steagall Act of September, 1937, which set up the United States Housing Authority to act as banker to local public agencies in promoting low-rent apartments. The plan, which was patterned after European experience, provided for joint federal and local subsidies for every low-rent project; another section provided that as each new unit was completed, a slum area of corresponding size was to be demolished. Playgrounds might be required by the USHA in any contract. Nathan Straus of New York, who had won a reputation as a slum-clearance expert and believed that decent housing could be provided in the larger cities at no more than five dollars per room, was chosen to head the new agency. By the beginning of 1941, the USHA program had completed or had under construction 118,000 family dwelling units. By that time, too, it was also attempting to solve the vital problem of housing accommodations for defense workers.

Roosevelt's message to the special session also stressed the need of encouraging the construction of homes apart from the government's low-rent program. To this end, the National Housing Act of 1934 was amended in February, 1938, to liberalize the loan policies of the Fed-

eral Housing Administration and to raise the total limit on insured home mortgages—if the President authorized it—from \$2 billion to \$3 billion; by 1940 Roosevelt had used his authority to increase the limit to \$4 billion. In addition, the FHA was authorized to insure loans made to small homeowners up to 90 percent of the appraised value of the property, instead of the former 80 percent. Over 1,500,000 small property owners had taken advantage of these loans by 1940 and 383,000 new homes had been built. At the end of 1940, Roosevelt was able to report the heaviest amount of private construction since 1928 and to announce that the FHA, which had insured loans amounting to over \$4 billion since 1934, was in a sound and self-sustaining position.

Aiding Farm Tenants and Farm Owners

During Roosevelt's second term, the administration's farm program was put in motion by an assault on the evils of farm tenancy, after careful studies made by the Special Committee on Farm Tenancy. "The American dream of the family-size farm, owned by the family which operates it, has become more and more remote," the President warned Congress on February 16, 1937. "The agricultural ladder, on which an energetic young man might ascend from hired man to tenant to independent owner, is no longer serving its purpose." According to the Committee's report, one out of every four farmers was a tenant fifty years ago; now, two out of every five were in this class. Genuine security, he concluded, did not exist for half the farming population.

Congress responded by passing the Bankhead-Jones Farm Tenant Act in July, 1937; this granted federal loans to farm tenants, sharecroppers, and farm laborers who wanted to purchase farms for themselves. The program was placed under the new Farm Security Administration. Because the original appropriation of \$10 million was inadequate, thousands of qualified applicants were turned away. By 1940 the FSA appropriation amounted to \$40 million, and in 1941 the agency was granted \$50 million for its operations. Expert advice, as well as loans, was available to farm families on or near the relief level so that they might become self-supporting through purchasing or improving their farms. The expanding Farm Security Administration also immediately took over the homestead projects for low-

income farm and city families, formerly under the Resettlement Administration.

Meanwhile, Congress had moved rapidly to fill the breach left after the Supreme Court had invalidated the first AAA. Legislators turned to the unchallenged conservation power of Congress as an indirect means of checking overproduction. A partial answer was found in February, 1936, in the Soil Conservation and Domestic Allotment Act. In keeping with the ideal of "equality for agriculture," the preamble called for the establishing of a "parity income" for farmers—"the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the five-year period August, 1909-July, 1914." Federal payments were to be made to farmers for shifting their acreage from such soil-depleting crops as wheat, cotton, and tobacco to soil-restoring crops such as clover and alfalfa. In addition to this means of reducing crops, the act gave cash benefits to farmers who adopted specified soil-conserving practices. The conservation feature of this law was applauded by a public suddenly conscious of the dust storms, erosion, and costly depletion of the soil.

Once the benevolent neutrality of the Supreme Court was assured, the New Dealers tightened the crop restriction features of the Soil Conservation Act in a second AAA of February, 1938. Its central idea, as Secretary of Agriculture Wallace put it, was control rather than restriction; its means would be an "ever normal granary" that he likened to the grain supply control by Joseph in the land of Egypt. Glut and scarcity were to be prevented by a series of related programs. Federal loans on surplus crops would keep them in storage for years of drought and scarcity. Another method of reducing crops was through marketing agreements among producers of the most depressed staples. If two-thirds of the farmers concerned agreed to coöperate, strictly enforced marketing quotas would be set up for each staple in return for federal parity payments. In addition, crop restriction at the source was assured through soil conservation payments to staple farmers who accepted an acreage allotment quota. At the same time, the direct soil conservation program was to be promoted by adopting extensive measures for erosion control.

The second AAA included an "all-risk" crop insurance plan requested by the President in February, 1937, when he urged the

equalizing of unusual burdens due to plant disease, droughts, and floods. The Federal Crop Insurance Corporation was accordingly set up within the Department of Agriculture to provide insurance and research that would protect wheat farmers (other crops were later added) against such losses. From 50 to 75 percent of the crops, based on the past average yield, was insured against drought, flood, hail, tornadoes, insects, and blight. Premiums in the form of crops were stored in reserves which could be drawn upon in lean years, thus stabilizing farm income and consumers' stocks. By 1940, 378,000 wheat growers had purchased crop insurance. A decade later (1951) more than thirty different crops in 801 counties were being covered by \$238 million in insurance, and premiums were regularly exceeding indemnities.

The new crop restriction law had its drawbacks in practice. Surplus carry-overs and the early experience in crop insurance led to substantial losses for the government without raising prices and farm income as much as had been hoped. Artificially high prices for cotton cut down exports while rayon and other new synthetics competed with this product at home. Worse yet was the dispiriting fact that the new Joseph's granary was not feeding the millions of poor families who were suffering from an artificial scarcity of food.

A partial solution was found in the food-stamp plan, which was first introduced at Rochester, New York, in 1939. Through a Surplus Marketing Administration, the farm surpluses were channeled through eager retailers to those on relief. Poor families could purchase orange stamps representing a basic relief allotment and secure a proportionate amount of blue stamps entitling them to a share of surplus foods. This raised the living standards of millions at the very bottom of the social scale while helping retailers, wholesalers, and processors as well as staple farmers. The prosperous war years arrested the food stamp experiment before the fullest test had been made of its potentialities.

Wage Floors and Hour Ceilings

In 1936 labor regained some of the ground lost in the Schechter case, which had nullified the wage and hour provisions of the NIRA. The Walsh-Healey Act of that year compelled employers who received federal contracts exceeding \$10,000 to abide by minimum wage and hour standards determined (within certain limits) by the

Secretary of Labor, and to abolish child labor. This meant the payment of locally prevailing wages and an eight-hour day for numerous large plants.

Roosevelt spurred Congress to pass a far more substantial law than the Walsh-Healey Contracts Act. This was the Fair Labor Standards Act of June, 1938, which emerged from a long legislative battle after it had been almost buried by John J. O'Connor, chairman of the House Rules Committee, a man whom the President denounced as a reactionary. In a fireside chat Roosevelt praised the new law as ranking next to the Social Security Act in being "the most far-reaching, farsighted program for the benefit of workers ever adopted here or in any other country." The law was intended, as he put it, to place "a floor below which wages shall not fall, and a ceiling beyond which the hours of industrial labor shall not rise."

The Fair Labor Standards Act was expected to reduce unemployment. A maximum basic work week of forty-eight hours was established—this was subsequently reduced to forty—and payment for overtime was fixed at one and a half times the regular rate. To increase mass purchasing power, a wage floor of twenty-five cents an hour was set; this was to be raised at stated intervals until the minimum hourly rate reached forty cents. The employment of children under sixteen years of age was prohibited in industries engaged in interstate commerce. The child labor provisions were applied by the Children's Bureau of the Department of Labor, and the rest of the act was administered by a new Wage and Hour Division established within that Department.

Here was no mere paper legislation. The new act made unnecessary the long-debated child labor amendment, which still required action by eight states for ratification. Similarly it aided in removing the drastic regional wage and hour differences which had previously weakened state social legislation. Sweated industries, such as textile manufacturing, benefited immediately from the act, for many employees were paid a basic rate above the thirty-cent minimum. By 1941, the minimum hourly rate had risen to thirty cents and over thirteen million persons were protected by the new law.

The Fight for Executive Reorganization

Roosevelt's efforts to secure the passage of a reorganization bill met far greater resistance. The bill, as introduced, provided for six execu-

tive assistants to aid the President in departmental problems, and for two new departments—Public Works and Social Welfare. It empowered the President to link various independent agencies with the executive departments. The bill also provided for a revision of the powers of the Comptroller General, whose extensive control over the nation's spending programs had long been a thorn in the side of the New Deal; and it called for the creation of a Civil Service Administrator and the extension of the civil service along the lines suggested in the President's November message.

However, the "dictator bill," as Colonel Robert McCormick's *Chicago Tribune* promptly labeled it, fell before the opposition of the House of Representatives, spurred on by savage newspaper attacks. To the New Dealers, the chief antagonistic propaganda seemed to come from the ubiquitous Father Coughlin, who saw in the bill a hidden scheme of the President to dominate the nation's educational system. Such fears were expressed in the flood of Coughlin-inspired telegrams and letters which swept Congress. Once more, as with the Fair Labor Standards Act, Roosevelt's chief foe, Representative O'Connor, led the House attack on the bill.

Wearily, Roosevelt reiterated that he had no inclination to be a dictator. He pointed out that the bill resulted from recommendations made by his nonpartisan Committee on Administrative Management, which had been asked to provide "twentieth-century machinery with which to carry out a twentieth-century program." Most of the proposals that were now subjects of controversy had already been recommended by Republican administrations. Roosevelt was particularly criticized because of his request for authority to reorganize the various administrative departments, especially the civil service, in spite of the fact that his actions would be subject to congressional approval.

Although the Senate passed the bill in March, 1938, by a vote of 49 to 42, the House rejected it by a similarly close vote—204 to 196. Interestingly enough, when the election of 1938 was over and the partisan clamor had died down, another reorganization bill, similar to the first in many controversial aspects, became law in 1939 without undue opposition. Roosevelt followed this victory with the successful presentation of five more plans for executive reorganization during 1939 and 1940.

In the face of resistance from certain patronage-hungry Congressmen, the President put in force part of his civil service program. A division of Personnel Supervision and Management was set up under the Civil Service Commission to supervise the appointment and training of employees in each federal agency. Important also in this respect was the Ramspeck-O'Mahoney Postmaster Act of June, 1938, which brought all postmasterships of the first, second, and third classes under the merit system; 14,798 employees were affected. Roosevelt sought to bring 81,000 positions under the civil service by executive order, but Congress whittled this down to 24,000. By February, 1939, three-fourths of all government employees had come under the merit system, as compared with two-thirds in June, 1938.

The Temporary National Economic Committee

The administration also opened a drive against monopoly during the spring of 1938. Critics inside and out of Congress had criticized the New Deal's compromises with big business under the NRA, and Roosevelt himself, in discussing the unjustifiably high prices for copper and steel early in 1937, had implied that monopolist forces were responsible for the recession. Furthermore, his sustained assault on holding companies indicated that, like Brandeis, he believed in restoring a genuine competitive system. Consequently, in his message to Congress on April 29, 1938, he denounced the increasing concentration of economic power. "No people," he declared, "least of all a people with our traditions of personal liberty, will endure the slow erosion of opportunity for the common man, the oppressive sense of helplessness under the domination of a few, which are overshadowing our whole economic life." Government leadership was needed to cope with this concentration of private power. "We must find practical controls over blind economic forces as well as over blindly selfish men." The earlier antitrust laws, he felt, had been too limited in scope to be effective. For all these reasons he asked Congress to initiate a thorough study of economic concentration in the country, to improve antitrust procedure by strengthening the power of the government, to extend federal control over mergers and interlocking business relationships, especially bank holding companies, and to amend the patent laws so that inventions would not be suppressed or industrial monopolies encouraged.

Congress responded by setting up the Temporary National Economic Committee, composed of Senators and Congressmen, three Cabinet members, and representatives of the Federal Trade Commission and the Securities and Exchange Commission. Senator Joseph O'Mahoney was appointed chairman. Public hearings, which began December 1, 1938, and continued until April 26, 1940, investigated almost every phase of economic life and resulted in thirty-nine volumes of reports.

The TNEC drew a dark picture indeed of economic concentration. At the time bankruptcies had spurred on the tendency to form mergers; and popular critical books emphasized the findings of Gardiner C. Means, the social economist, that two hundred corporations controlled one-half of the country's industrial wealth and one-fifth of its total wealth. The Committee's report showed that corporations in the five million dollar class or better held 93 percent of all assets in the fields of transportation and public utilities, 78 percent of assets in finance, and 66 percent in manufacturing. In fact, the modern corporation manufactured 92 percent of the entire national output. One aluminum corporation had the entire business to itself, three auto firms (General Motors, Ford, and Chrysler) made 86 percent of all cars, and three steel companies processed 61 percent of that product. The story was much the same in life and industrial insurance. Of 308 life insurance companies with assets of \$26.2 billion, five of them, led by Metropolitan, Prudential, and New York Life, owned 54.4 percent of the assets. This represented investments in federal and state securities, railway bonds, public utility bonds, and urban mortgages—altogether a substantial fraction of the national economy.

How had this astonishing result come about? asked the Committee. The chief culprits were led out one by one. Monopoly had been well-nourished by holding companies with closely interlocking relations with a large part of industry. Patents had legalized monopoly and were used by some for the purpose of shelving inventions, thus preventing competitors from using better processes that would have made existing equipment obsolete. State and local governments interfered with free competition by using their taxing or quarantine powers to drive out oleomargarine, chain stores, and peddlers. By 1939, forty-three states had passed the euphonious "fair-trade laws"

for "resale price maintenance," aimed at price cutting. This meant that manufacturers controlled the retail price or, as in the case of the powerful National Association of Retail Druggists, the organized retailers had most to say about fixed prices.

The TNEC seemed less certain regarding solutions. It did recommend that industry be decentralized as far as practical, that interstate barriers to trade be removed, and that steps be taken to abolish the fair-trade laws and monopolies in basic materials. However, Congressmen disagreed with both the diagnosis and the remedy. To do away with the fair-trade laws seemed suicidal and an invitation to chaos. In 1937 Congress passed the Miller-Tydings Act over Roosevelt's emphatic veto; it exempted price-maintenance contracts on branded or trademarked goods from prosecution under the Sherman Antitrust Act.

Public opinion was not completely convinced that big business was the monster pictured in the Brandeis-Wilson-Roosevelt tradition of free competition. This attitude was even more pronounced a decade later when liberals like David Lilienthal and John Galbraith, the economist, wrote books that showed that American capitalism had gone forward in efficiency and service, certainly far beyond the achievements of those nations that had attempted to socialize their economy. Only leftist extremists would contend that bigness had resulted in a government directed by Wall Street and "monopoly capitalism." The bumblebee cannot fly, according to good aeronautic principles, wrote Galbraith in *American Capitalism* (1952), but somehow it does fly rather well. Bigness and oligopoly (where there are only a few sellers rather than many as in classical competition) confounded observers in the United States by displaying vigorous competition, reasonable prices, efficiency, opportunity for self-employed individuals within the economy, and an increasingly enlightened attitude toward labor and other social questions. Checks and balances, a "countervailing power" in Galbraith's phrase, existed most effectively. Economists were able to show in the fifties that the dire predictions of Means and other authorities cited by the TNEC had failed to come true.

But the TNEC had proved that the citizen could not afford to give up his vigilant attitude toward the excesses of giant enterprises. Roosevelt staffed the Federal Trade Commission and the Department

of Justice with determined antitrust men such as Assistant Attorney General Thurman Arnold, head of the antitrust division. A generous budget made possible a successful crusade against the more obviously unethical practices of the business giants. The NIRA, for all its shortcomings, made some gains toward this fair-trade-practice goal by publicizing, and to some extent abolishing, the worst of the scandalous business practices that had developed in the struggle for survival during the early years of the depression. The New Deal corporate tax policies, especially the undistributed profits tax, the increased corporation income tax, and the heavy estate and gift taxes, were intended to check bigness as well as to foster a more equitable distribution of the tax burden.

On the other hand, the New Deal experiments with social planning led Roosevelt to break frequently with the philosophy of free competition. Such major laws as the NIRA and the AAA encouraged price fixing and interfered with competitive sales methods. A policy of subsidies to depressed sectors of the economy, however humane and necessary, did not conform with the usual competitive model of society. The country, it was believed, was on the path to a new kind of mixed economy in which private and government enterprise (or intervention) would coexist side by side. Others scoffed that this idea was merely a Trojan horse for outright socialism.

The Campaign to Liberalize the Democratic Party

The events that had occurred since the election of 1936 gave new importance to congressional and local elections in 1938. Bourbon Democrats and Tory Republicans joined hands to defeat the Supreme Court reform and the reorganization bill; they likewise blamed the recession on the administration's policy of "strangling business" and they endeavored to water down its tax reforms. Public opinion, according to the press, was alarmed by the sudden upsurge of militant labor unions like John L. Lewis' Committee for Industrial Organization, encouraged as they were by the New Deal's guarantee of collective bargaining. The unprecedented wave of sit-down strikes, especially in the steel industry, suggested to the timid and conservative alike that a Red revolution was at hand. Roosevelt, who with his close advisers was apparently sensitive to the charges brought by the liberals that the New Deal was still far short of its objectives, wished

to prevent a return to the personal politics of the 1920's which had made Republican and Democratic philosophies almost identical. His conviction that the Democratic party must be made the genuinely liberal party of the nation was the key to his decision to intervene actively in the 1938 primaries in behalf of the nomination and election of liberal Democrats.

In the Georgia primaries, President Roosevelt opposed the renomination of Senator Walter George; as he put it, on some questions the Senator and he did not "speak the same language." But the conservative Senator undertook a strenuous campaign and won. Also unsuccessful were the President's campaigns against the renomination of Senator Millard Tydings of Maryland and of "Cotton Ed" Smith of South Carolina. However, he was successful in his efforts to renominate Alben Barkley of Kentucky, the New Deal majority leader, and to eliminate Representative John J. O'Connor of New York, a bitter foe of the administration.

The hostile press immediately labeled Roosevelt's intervention as a "purge" à la Moscow which sought to destroy everyone who disagreed with him and to dictate how the American people should vote. Despite their Democratic affiliation, conservative southern newspapers denounced the President as a new Napoleon and a "power-drunk" dictator. Charges were made that Administrator Harry Hopkins was using WPA funds to coerce relief workers to support administration candidates, but investigation disproved them. There were also reports of a break between the Chief Executive and Postmaster General Farley, who held that the Democratic National Committee should support the party's nominees regardless of their views on the New Deal.

Both the primaries and the elections themselves failed to fulfill the President's desire of converting the Democratic party into a thoroughly liberal organization. The party lost sixty-seven seats in the House of Representatives and six in the Senate; and even though it still retained a comfortable majority in Congress, a large number of Democratic Congressmen were hardly sympathetic to the New Deal. New York's Governor Lehman narrowly escaped defeat at the hands of Thomas E. Dewey, New York County's vigorous district attorney. A severe disappointment to the administration was Frank Murphy's failure to be reelected governor of Michigan, largely because his

sympathy to labor during the Detroit strikes had made powerful enemies for him. The outlook for 1940 seemed uncertain for the New Deal, but the nation's increasing prosperity and the danger of war with the Axis bolstered the President's leadership.

John Marshall's Shadow

Tax legislation of a novel type was repeatedly presented to Congress by the President. In two significant cases the Supreme Court had opened the way to the abolition of reciprocal federal-state tax immunities that had been firmly established by John Marshall's famous decision, "The power to tax is the power to destroy," handed down in *McCulloch v. Maryland*, a case involving Maryland's right to tax a branch of the United States Bank at Baltimore. In *Helvering v. Gerhardt*, decided May 16, 1938, the Court held that the salary received by an employee of the Port of New York Authority was subject to a federal income tax, thus depriving state employees of their traditional immunity to federal taxation. The converse of this was established on March 27, 1939, in *Graves v. O'Keefe*, which held that an employee of the federal Home Owners' Loan Corporation was subject to a state income tax.

Even before the *Helvering* decision in 1938, Roosevelt had proposed the abolition of these reciprocal tax immunities as they affected government employees and both federal and state bonds. Consequently, on the basis of these two significant decisions, Congress passed the Public Salary Tax Act of 1939, which allowed the taxing of federal employees by state and local governments and made employees of the latter subject to the federal income tax. Not until the Public Debt Act was enacted in 1941 did Congress remove a popular means of tax evasion when it provided that holders of United States government bonds must pay a federal income tax; the Senate, however, defeated an administration attempt to extend federal income taxes to state and local bondholders and to allow local governments to tax the income derived from United States government obligations.

Liberalizing the Social Security Act

As a result of recommendations made in January, 1939, by the Social Security Board, Congress expanded the existing pension pro-

visions that year. Old-age insurance was hereafter to be known as Old Age and Survivors' Insurance, and a special trust fund under that title was created. Maritime workers and employees of agencies affiliated with the federal government were included in the insured classes, and survivors of an insured employee—particularly dependent children, widows over sixty-five years of age or younger widows with dependent children, and dependent parents—were made eligible to receive his old-age benefits. The tax on employers and employees was frozen at the existing rate of 1 percent until 1942, instead of being sharply increased as originally planned; this meant a substantial saving to those affected.

The ideal of a "welfare state" that would actively raise the economic and social level of the people was rapidly advanced during 1939-1941. By June, 1941, over 2,170,000 aged persons who were not covered by Old Age and Survivors' Insurance were receiving from combined federal and local sources assistance averaging \$21.08 a month for the nation as a whole. At the same time federal grants-in-aid stimulated extensive state welfare programs that cared for 917,000 dependent children and provided aid for 50,000 blind persons; millions were spent annually for maternal and child welfare, for vocational retraining of the physically handicapped, and for new health services for the low-income groups. Conservatives led by the American Medical Association stubbornly resisted the wholesale extension of federal aid to the field of medicine as "socialized medicine"; they maintained that no one in this country was being denied medical care because of poverty. Congress remained cool to the administration's National Health Bill, sponsored by Senator Robert F. Wagner of New York in 1939, which would have extended the principle of social insurance to industrially disabled workers.

The Liquidation of Relief

Although relief expenditures dropped, certain agencies were continued on a declining but still appreciable scale because of their importance to the nation's welfare and defense. As conditions improved, the WPA came under the fire of Senator Byrd of Virginia, who combined his drive for economy with the demand by Congress that radicals be removed from these projects. Eligibility rules for WPA applicants became more stringent, appropriations were slashed repeatedly

—in 1911 they dropped to less than \$60 million—and finally, in 1942, the agency was voted out of existence. The WPA administrators claimed an impressive record. Their expenditures of \$10,468,000,000 (plus an additional \$2,723,000,000 contributed by those who sponsored the various projects) for 1935–1942 directly benefited some 8,500,000 people. To aid our defense effort, the WPA workers built 285 airports and enlarged or improved 500 more, together with 700 miles of runways; they also constructed 77,000 bridges and viaducts, and numerous barracks, mess halls, storehouses, military and naval reservations, and other war facilities; in addition, workers were trained for vital industries. Market-bound farmers and pleasure-bound motorists could enjoy 644,000 additional miles of good roads and streets.

WPA workers served school children free lunches on a large scale in working-class districts, conducted them safely across busy thoroughfares, and constructed innumerable playground and other recreational facilities for children. Among the 122,000 public buildings built by this agency were many schools, hospitals, and libraries. Women workers made millions of garments and pieces of furniture for the needy. The diversity of cultural, professional, and technical projects conserved the talents of men and women, many of whom possessed creative ability of a high order. Perhaps most important of all was the fact that the WPA preserved such human intangibles as morale and dignity.

By 1941 the PWA like the WPA was engaged in liquidating its extensive activities, after spending over \$6 billion of the public funds for 34,465 projects that affected practically every county in the nation. This involved substantial construction work of all types for federal agencies, local and state governments, and the railroads. Somewhat more fortunate than these two agencies was the Civilian Conservation Corps, which managed to weather Senator Byrd's campaign to abolish it until 1942, when nearly all its activities ceased. Its total expenditures of \$2.9 billion over a nine-year period were offset by many assets. Three million men were given jobs and useful training and were enabled to send \$7 million home to needy dependents. They planted entire forests, built over 125,000 miles of truck trails, 89,000 miles of telephone lines, and 4000 fire and observation towers; their success in combating forest fires meant a substantial reduction

in timber losses. Although the NYA survived these years, most of its activities shifted from subsidizing needy youths, especially students, to the problem of meeting labor shortages by training young men and women for defense and, finally, war jobs. All in all, the results achieved by the agencies for the nation were far more than incidental "pump priming."

The Third-Term Issue: 1940

By 1940, the chief political issue, according to the Gallup poll, was keeping this country out of the war. But both parties and their standard-bearers held such similar positions on this issue that attention was arbitrarily focused on the domestic issues of recovery and reform. The Republican national convention which met in Philadelphia on June 24 at first seemed pledged to either Thomas E. Dewey of New York or Robert A. Taft of Ohio. However, Wendell Willkie's struggle with the TVA had brought him to the fore as a potential political leader. He waged a sensational preconvention campaign unusual in Republican annals and received 105 votes on the first ballot and 659 votes on the sixth, whereupon he was nominated unanimously. The nomination for Vice-President went to Charles L. McNary of Oregon, who had been associated with the McNary-Haugen bill in the twenties and who enjoyed considerable popularity among farmers.

This time the Republicans named a man who not only regarded himself as a La Follette liberal but had supported Roosevelt and voted the Democratic ticket as recently as 1932. As a delegate to the Democratic convention in 1924, he had backed Smith against McAdoo on the Ku Klux Klan issue. A leading utility executive who as a foe of the TVA had been front-page copy for several years, he now symbolized the bipartisan conservative reaction to the New Deal. Actually, like Landon, Willkie professed himself in sympathy with many administration objectives, but differed as to the manner of their execution. "Party lines are down," he said in his acceptance speech. "Nothing could make that clearer than the nomination by the Republicans of a liberal Democrat who changed his party affiliation because he found democracy in the Republican party and not in the New Deal party." He charged that the administration had restricted the opportunities of businessmen and put farmers on the dole. "I say

that this course will lead us to economic disintegration and dictatorship." He favored substituting "unlimited productivity" for "distributed scarcity." As far as foreign affairs were concerned, he held that Roosevelt had endangered the nation by making rash threats against Germany and Italy and had failed in our national defense program.

Before their convention met in Chicago on July 15, the Democrats made certain basic decisions as to their future course. France had already fallen before Hitler's mechanized might and events had proved that the military strength and diplomatic unscrupulousness of the Nazis had been underestimated. Despite the protests of a small minority within the party, the Democrats disregarded the anti-third term tradition and "drafted" Roosevelt on the first ballot. For full measure, they followed his recommendation and nominated Secretary of Agriculture Henry A. Wallace for Vice-President. "The world is undergoing violent changes," their platform declared. "Humanity, uneasy in this machine age, is demanding a sense of security and dignity based on human values." It went on to make the following specific pledge regarding foreign affairs: "We will not participate in foreign wars, and we will not send our Army, naval or air forces to fight in foreign lands outside of the Americas, except in case of attack." The rest of the platform elaborated on the benefits of the New Deal to all Americans, Negro as well as white.

As in previous campaigns, Roosevelt made the New Deal the main issue and stressed his record of social and economic reconstruction. He made one sensational charge: "There are some banks now using money to advertise, or to send letters to their depositors, hinting that unless this administration is defeated, the deposits of their banks will be in danger." Willkie, in return, charged that the third term endangered individual liberty and warned that 1940 might be our last free election. He declared that whereas, before 1914, liberals (like himself) had fought the domination of the people by big business, "We now face the domination of the people by Big Government."

Once more Roosevelt gained a substantial victory, although by margins considerably reduced since 1936. However, an important wedge was driven in the Middle West by the Republicans, for in addition to Landon's faithful Maine and Vermont, Willkie carried Colorado, Indiana (his home state), Iowa, Kansas, Michigan, Ne-

braska, and North and South Dakota; this gave him a total of 82 electoral votes to the President's 449. The popular vote, following the Gallup forecast, gave Roosevelt 27,243,466 to Willkie's impressive 22,304,755. The Socialist candidate, Norman Thomas, dropped to a new low of approximately 100,000 votes, and Earl Browder, the Communist candidate, received less than 50,000. The Democrats retained their control of Congress practically unchanged. Nevertheless, there were unmistakable signs of reviving Republican strength. In New York's gubernatorial race, for example, Thomas E. Dewey would undoubtedly have beaten Governor Lehman had not the American Labor party decided the latter's election by casting its 420,000 votes in his favor. Lehman was a candidate, much against his inclination, Roosevelt having persuaded him that he was needed to keep pivotal New York in the Democratic column.

As war drew closer in 1941, liberals wondered whether our hard-won domestic gains of eight years could survive a new world catastrophe. The prestige of popular democracy in Europe was at low ebb, and Fascist paternalism was advancing to new positions along both the ideological and the military fronts. Ambitious leaders were anxious to naturalize fascism on our soil. Would Roosevelt's New Deal reenact the tragedy ascribed to Léon Blum's Popular Front in France? This was the fear expressed by Wendell Willkie and his associates in utter disregard of the fact that the nation's leadership in Washington had seldom ever been so vigorous and determined. Would a war in the name of democracy destroy civil liberties at home and revive the Red hunt and class hatreds of 1919-1921? Some progressives like the young La Follettes were ready to answer in the affirmative.

Chapter 18

THE THIRTIES: AN ERA OF SOCIAL PLANNING

The Psychology of Restricted Opportunity

The social pendulum swung back from the extreme individualism of the 1920's as the economic breakdown of the early thirties revealed the tragic inadequacy of the isolated individual in the face of widespread unemployment and general insecurity. The small family unit, broken up by the increasing divorce rate and shorn of many of its traditional functions, offered only limited aid to its stranded members. Equally helpless were the church and the local community, financially unable to meet their new burdens. Any neighborhood spirit in the great urban centers had long ago declined; in fact, the depression reversed the movement from farm to city.

Our historic faith in unlimited individual opportunity gave way to a pessimistic belief that the limits of economic expansion had been reached. Competition for jobs followed the jungle spirit of survival and pitted youths against their elders, strained race relations, and gave plausibility to the Marxian concept of an eternal class war. When local and private institutions faltered, the federal government assumed the leadership and offered a new social cohesion. The active "welfare state," stressing collectivism in various degrees, had already become a reality in other parts of the world.

Those who were convinced that we had entered a period of restricted opportunity cited our current population statistics as their authority. In the decade of the thirties the population increase—from 122,775,000 to 131,669,000—showed a decline to the unprece-

dently low rate of 7.2 percent, less than half that in any previous decade. Marriages during the depression were relatively few and long deferred. In 1916, births had occurred at the rate of 25 per 1000 of the population, but by 1929 this had fallen to 18.9; in 1933 it declined still further, to 16.6, and rose only slightly thereafter during the decade. However, this overall decline in the birth rate was partly offset by the decrease in the death rate resulting from gains made by medical science.

A related population phenomenon of the period was the excess of emigration over immigration, which amounted to some 47,000—a sharp contrast with the immigration excess of millions before the mid-1920's. For example, Mexicans who had come here during the 1920's returned to their homeland in overwhelming numbers. The prolific immigrant peoples, experts pointed out, would soon die out, and the nation would be left with an ever-larger old-age population, with all its social and economic implications. The psychology of limited opportunity became even more manifest after 1937 when German-Jewish refugees, many of them exceptional in training and achievement, sought refuge from terrorism. Only a few were permitted to enter this country except during 1939, when 43,274—scarcely the flood envisaged by restrictionists and anti-Semites—were admitted.

The depression generated a new westward movement, especially from the stricken dust bowl of the Great Plains. The population of Los Angeles showed a spectacular increase during the decade, from 1,238,048 to 1,504,277. San Diego and other urban areas in southern California also grew, but San Francisco and the coastal cities farther north remained almost stationary. Among the larger cities whose population decreased were Philadelphia, Cleveland, St. Louis, Boston, and Newark. The South, benefiting from its new industrialization as well as its traditionally high birth rate, lost far fewer people than did the northern and central states. Notwithstanding the general decline in urban growth, southern industrial cities like Birmingham grew faster than ever.

Family life reflected the depression in a variety of ways. The marriage rate during 1932 was the lowest in history. Divorces also declined for several years, but desertions, "the poor man's divorce," increased. The divorce mill in Reno, Nevada, turned more rapidly

than ever in 1934, when enterprising citizens cut the residence requirement from three months to a brief six weeks. The results of birth control and deferred marriages were reflected in the decline in the size of the family. The American home had an average of three children at the opening of the century, but by 1939 there were one or two.

Government aid did much to keep the family together during these years. Early in the depression the press regarded unemployment as a local problem and cheered such modest attempts at aid as cookies baked by Muncie high-school girls for Red Cross relief. But within a few years large-scale federal and local relief became a matter of course. Federal laws offered old-age pensions, maternity and dependency, assistance, low-cost housing, loans to homeowners, subsidized school and health programs, and other direct benefits derived from the entire recovery program. Before the decade ended, private social service agencies were able to disavow any responsibility for the basic economic needs of the family and to concentrate instead on personal maladjustment.

Mechanized Farming and *The Grapes of Wrath*

Rural life shared the vicissitudes of the urban community. The so-called "back to the farm" movement was actually directed toward the villages and small towns rather than farms, for the disturbing increase in technological unemployment and absentee ownership made life on small farms anything but secure. In common with the depression-induced tendency toward rigid economy in industry, agriculture reduced its costs by the wholesale application of large-scale methods and mechanization. Farmers who could afford it bought trucks and tractors. The number of tractors rose by 70 percent and farm trucks increased by 16 percent during the decade, raising productivity and thus partly offsetting the elimination of twenty million acres of cotton, wheat, and tobacco by the AAA. Bankrupt farms were frequently taken over by corporations or banks which stressed more efficient production; a similar economy was emphasized in Kansas, where there appeared "suitcase farmers" who went from farm to farm with their tractors and tilled the soil.

Sensational gains were made in productivity. One of them was the

use of hybrid corn seed, which in 1938 resulted in an increase estimated at nearly ten million bushels over the usual yield from open-pollinated seed. The production of the versatile soybean increased 238 percent during the decade. Scientific improvements in stock farming made the lot of farm animals enviable in contrast to that of the people worst hit by the depression. Farm life in certain sections became more comfortable as well as more productive economically under the New Deal's program of rural electrification. Less than 11 percent of all our farms had electricity in 1934, but the percentage had risen to 27.1 by 1940. In addition, government agencies were engaged in raising the income and living standards of farmers.

But the farm picture had a darker side, especially before 1934. Agricultural income, which had lagged behind the income from industry and commerce during the twenties, in 1922 dropped to a low of 55.6 (index = 100 for the base period 1910-1914) and then rose steadily until it reached 119.3 in 1940. The plight of sharecroppers in the South was reflected in the militancy of the Southern Tenant Farmers' Union, which united white and Negro sharecroppers, their racial animosities temporarily forgotten, against the planter-merchant class in a struggle for better living standards and the halting of mass evictions. Roosevelt declared that the South was the nation's "economic problem number one." The steady increase in tenant farming that had been apparent before the depression was arrested to some extent by mortgage foreclosures and increased corporate ownership.

Most destructive of all the catastrophes to which farmers are subject were the great dust storms, droughts, and floods of the thirties. Decades of soil depletion in the semiarid Great Plains that stretch from the Texas Panhandle to Canada exhausted large areas of farm land and culminated in the "Black Blizzard," a dust storm that began on November 11, 1933. Much of the topsoil in the Dakotas, Kansas, Oklahoma, and nearby states was blown away, and houses, trees, and machinery were completely buried in the dust. Bankruptcy and wholesale evictions were the inevitable result. The tragedy of it all is laid bare in John Steinbeck's *The Grapes of Wrath*, a description of the trek of an entire farm people from their lost homes in the Great Plains to the promised land of California, where they were treated as undesirables or as dangerous radicals. Aid was given such

unfortunates by the Federal Farm Security Administration and by the various credit agencies which enabled farm tenants or dispossessed farmers to become farm owners.

The Resurrection of Industrial Unionism

In 1935 a gigantic schism split the labor movement. Industrial unionists, who held that the only effective form of organization for mass-production industries was one based on an entire industry and not on crafts, claimed that they had been betrayed by the AFL, which they said had repeatedly raided the newly formed industrial unions and drawn off skilled workmen into the numerous craft unions, thus dissipating the organizing strength of workers in the mass-production industries. Although the AFL provided for some industrial unionism, its "realistic" policies clung to the strength inherent in an aristocracy of skill. Craftsmen in the old established unions feared that they would be crowded out by the solid blocs of industrial unionists, with their adventurous policies. Dissidents like David Dubinsky, who headed the powerful International Ladies' Garment Workers' Union, criticized the AFL for failing, in its fifty-five years of existence, to organize any more than 3,500,000 workers out of a total of 39,000,000.

The doughty John L. Lewis, a member of the AFL Executive Council, led the industrial unionists within the Federation in demanding that it grant unrestricted charters, free from the jurisdictional claims of the craft unions, to the new locals desiring them. Industrial unions, these men argued, would eliminate the plague of jurisdictional disputes. At the AFL convention in San Francisco in 1934 the Executive Council had promised to grant such charters and to organize the crucial steel industry, which had decisively defeated unionism in the great strike of 1919. But this promise went unfulfilled, thus jeopardizing the progress already made in organizing that industry. The battle that was long brewing was joined in 1935 at the AFL convention in Atlantic City, with Lewis' challenge (in his best Elizabethan manner) to the craft unionists: "I am enraged and I am ready to rend my seducers limb from limb, including Delegate [Matthew] Woll." Old-line craft leaders were deeply perturbed when a roll call on the issue disclosed the astonishing fact that almost 40 percent of the delegates supported Lewis.

Shortly afterward, on November 9, 1935, Lewis and his industrial bloc took the momentous step of forming the Committee for Industrial Organization in Washington, D.C., without withdrawing from the AFL; craft leaders denounced this as "dual unionism." The most progressive representatives of the labor movement went with Lewis—Sidney Hillman and his Amalgamated Clothing Workers; David Dubinsky and the ILGWU; Philip Murray, a United Mine Workers official; Charles P. Howard of the International Typographical Union, who shared the leadership of the new CIO with Lewis; and Thomas F. McMahon, president of the United Textile Workers. Behind them was the historic tradition of solidarity preached by the Knights of Labor: "An injury to one is an injury to all." A few members, it is now apparent, adhered to the more radical and class-conscious traditions of the IWW, now largely absorbed by the Communist party, and its militant code of One Big Union. By resurrecting industrial unionism, the CIO fell heir to the radical reputation that the IWW had given the movement. Lewis himself was no doctrinaire, although he advocated a powerful labor movement to combat the menace of fascism in this country and thus prevent the unions from suffering the fate of the German and Italian unions. On January 22, the Executive Council of the AFL refused an industrial charter to radio workers, at the same time condemning the CIO as the outgrowth of a radical minority scheme for dual unionism. The CIO retaliated with a huge drive, headed by Philip Murray as director of the Steel Workers Organizing Committee (the SWOC), to organize the steel industry. Secession became a fact when the craft leaders refused to admit the steel workers as an industrial union.

Unionizing the Mass-Production Industries

The CIO won a sensational victory in organizing the steel industry, considering the crushing defeats suffered by the steel unions in the Homestead strike of 1892 and in the nation-wide strike of 1919 led by William Z. Foster. Hoping to repeat earlier victories, "Big Steel," led by the two billion dollar United States Steel Corporation, put up a stubborn fight before it yielded; union meetings were broken up by company police, plant-inspired "citizen movements" created an atmosphere of unreason and fear, and the local press beat the drums for an anti-Communist crusade. Paternalism and hand-picked com-

pany unions failed to appease the workers—many of them immigrants who lived in filthy, unpainted shacks around the steel mills and in 1932 averaged \$13.20 a week, if employed. To avert an impending strike, Myron Taylor, chairman of the United States Steel Corporation, negotiated a written labor contract with John L. Lewis in March, 1937.

Four other important steel producers regarded Taylor's act as a gross betrayal and proceeded to resist the SWOC. Tom Girdler of the Republic Steel Company refused to sign any labor contract on the ground that it was not required by law. Strikes broke out in the Middle West and spread eastward to the plants owned by Girdler and the three other "Little Steel" companies. In defending their position these firms could not claim serious losses during the depression, for the Securities and Exchange Commission had revealed the huge salaries and bonuses paid to executives during those years—Girdler's salary was \$129,372 a year, and certain of his colleagues in other companies had received salaries that ranged from \$173,750 to \$250,000, in addition to bonuses.

The continued success of the SWOC in organizing the steel, automobile, and other major industries awakened fears among white-collar elements of a labor dictatorship. Consequently "Little Steel" found ready allies among small businessmen, journalists, local government officials, and farm owners. Roosevelt and the new federal Steel Mediation Board, faced by the division in the ranks of labor, leaned backward in their effort to maintain strict neutrality during the Little Steel strikes of 1937. The friendliness shown to labor by Governor Frank Murphy of Michigan, who refused to permit state troopers to be used in ending strikes, proved insufficient to turn the rising antiunion tide. Violence hastily attributed to the CIO broke out. Most tragic was the Memorial Day "massacre" of 1937 near the South Chicago shops of the Republic Steel Company. When strikers attempted to form a picket line outside the company's gates, Chicago police who had been called in lost their heads and fired into the crowd of fleeing men, women, and children; ten people were killed and forty were wounded, one an eight-year-old child. Senator La Follette's investigating committee denounced this "callous indifference to human life" and proved that the strikers and their families had given no provocation for the shooting. Eventually the SWOC

won a major if belated victory over the Republic Steel Company when the NLRB compelled the company to adopt collective bargaining and to reinstate several thousand discharged employees.

Meanwhile the CIO had scored a resounding success in organizing the automobile industry through the United Automobile Workers of America, led by Homer S. Martin, a former Baptist minister. Despite relatively high hourly rates, 45 per cent of the automobile workers were earning \$1000 or less a year. As in the steel campaign, every device for repression, espionage, and intimidation was used against the union organizers. General Motors promptly referred all labor grievances to its local plant superintendents. Since this was interpreted by the men as an evasion, they began an impromptu "sit-down" strike, without UAW authorization, in the Fisher Body plant at Cleveland, the strikers refusing to leave the premises. Production was paralyzed, for not even a court injunction could dislodge the defiant men. The sit-down strike idea spread quickly, despite the fact that the legality of this form of strike was widely challenged. When the automobile workers in Michigan staged sit-down strikes, Governor Murphy again refused to send state troopers but worked earnestly for a settlement by negotiation. The strike ended after six weeks and culminated in a labor contract, signed in February, 1936, in which William S. Knudsen, vice-president of General Motors, agreed to recognize the UAW as the sole bargaining agency for its members.

But the Girdler of the automobile industry was the equally individualistic Henry Ford, who was still flatly opposed to unionization and who denied the constitutionality of the National Labor Relations Board. Strikes broke out in which there were ugly scenes of violence; the Ford Service Organization, led by a former prize fighter, won considerable notoriety for its crude methods of repressing the strikers. Eventually, however, Ford also recognized the signs of the times and accepted collective bargaining.

CIO organizers under Sidney Hillman made rapid headway in the poorly paid textile industry except in the South, for factory owners in this section were unwilling to surrender the advantage they enjoyed over their northern rivals because of cheap wages. The Ku Klux Klan was renovated to keep out union organizers and to intimidate the Negroes, who were attracted by the unrestricted unionization

offered members of their race. The CIO had been critical of Jim Crowism in the AFL, for it recognized the structural weakness of any labor movement which excluded Negroes. Lewis' followers also penetrated the important fields of transportation and rubber, and even the white-collar industries. The American Newspaper Guild, organized under the NIRA in 1933 by the leftist writer, Heywood Brown, was at first affiliated with the AFL, but in 1936 it joined the CIO and expanded its organizing program to include individualistic-minded newsmen. Newspaper publishers contended that a closed shop meant biased editorial writers, but Guild members denied these charges and pointed to the control over editorial policies exercised by the publishers themselves. Longshoremen, plagued by economic insecurity and discriminatory hiring policies, hastened to join CIO unions established by Joseph Curran on the Atlantic and Gulf coasts and by Harry Bridges, a Lewis protégé, on the Pacific. Bridges' radical views led to a newspaper demand for his deportation to Australia and constituted a *cause célèbre* which many regarded as a flank attack on the CIO itself.

Senate revelations during the rise of the CIO indicated the partial abolition of civil liberties in many industrial communities in the effort to halt wholesale unionization. But resentment against labor flared up over the innumerable strikes that occurred between 1935 and 1940. Over 688,000 men went out on strike in 1937, and in 1939 this figure soared to over 1,170,000.

The CIO was reorganized in 1938 as the Congress of Industrial Organizations. At that time it claimed four million members, a figure which approached the total membership of the AFL. It entered the political field with the organization of the powerful Labor's Non-Partisan League to back progressive candidates. Friends of the CIO believed that its growing pains had ended and that its leaders could curb the "outlaw strikes" and thus enhance the trustworthiness of its labor contracts.

Meanwhile, despite the CIO-AFL schism, labor prospered as the recovery trend was accelerated by defense and ultimately war needs. Real wages increased by 19 percent between 1935 and 1941 in spite of the tendency to pass wage increases on to the consumer in the form of higher prices, thus creating the danger of an inflation spiral that might eventually cancel labor's hard-won gains. A five-day, forty-hour

week was becoming universal and was raising the welcome problem of adequate leisure-time activities. Comforting, too, was the fact that the Supreme Court upheld practically every major labor law which came within its purview.

The Negro Forsakes Lincoln for Roosevelt

In 1933, according to Professor Charles S. Johnson, the Negro sociologist, 2,117,044 colored people were on relief, or, in proportion to the population of the two races, twice as many Negroes as whites. "Nearly half of the Negro working population in New York was on relief," wrote Professor Johnson, "and there were food riots in Harlem." Economic competition increased interracial strife in Detroit, Pittsburgh, St. Louis, Birmingham, and other cities, north and south. The plight of underpaid Negro sharecroppers, many of whom were evicted, attracted national attention. Under such circumstances, probably no sector of the population received relatively more benefits from the New Deal than did Negroes at the marginal subsistence level.

Relief, social security, the work and subsistence projects, and the various credit agencies brought a new day to Negroes. In the face of local prejudices the Roosevelt administration insisted—not always effectively, however—on the uniform disbursement of relief regardless of color. Professor Johnson has pointed out that in one month in 1939, the WPA employed 300,000 Negroes at a cost of \$15 million. Especially significant to colored marginal workers was the Fair Labor Standards Act of 1938, with its provisions guaranteeing a wage "floor" and an hours "ceiling." Here was a clue to the Negroes' wholesale transfer of political allegiance from the party of the Great Emancipator to one which included the bulk of the Ku Klux Klan as well as the New Deal.

Population figures suggest an improvement in the status of this people, for in the decade of the thirties the Negro population increased from 11,891,000 to 12,866,000, a rate somewhat above the average for the nation as a whole. The number of lynchings had decreased markedly since the 1920's; the worst year of the new decade was 1933, with twenty-four lynchings. Advances in education continued and there was some improvement in the salaries of Negro teachers; the doubling of the number of Negro college graduates led

to a sizable Negro intelligentsia. Victories won by Negro candidates for state and federal office in the North and Middle West gave the race an important channel of expression. Several significant court victories were won during the thirties on behalf of civil liberties for Negroes. Sympathetic white people contributed generously to the defense fund for the colored boys in Scottsboro, Alabama, whose trial for rape was based on alleged flimsy evidence. The national defense program reawakened racial discrimination, but Negroes in increasing numbers managed to enter occupations from which they had previously been excluded.

The Revival of Anti-Semitism

Seldom in our history have Jews been so conscious of their minority status as during the 1930's. Although both they and the Negroes shared in varying degree the onus of racial discrimination as well as the economic benefits of the New Deal, the Jews became increasingly conscious of powerful forces aimed at their extinction. Hitler proclaimed a world crusade against 16,000,000 Jews, 4,770,660 of whom lived in the United States. Nazi and Fascist sympathizers in this country brushed off the portrait of the "International Jew" which Henry Ford had discarded in the 1920's, and the time-honored charges of Jewish capitalism and communism and of domination by Jews were revived. The Dies and other congressional committees discovered that ample funds from various suspect sources were available to make anti-Semitism a remunerative "racket." The Nazis sought to identify Roosevelt as a Jew and to label his administration as an instrument of world domination wielded by the Elders of Zion.

The Jews were confronted by a bewildering array of Fascist-minded organizations, both indigenous and foreign. Fritz Kuhn, the Führer of the Bund in this country, who as a storm trooper had goose-stepped in a parade reviewed by Hitler in 1936, continued to assail the Jews as the spearhead of Bolshevism until he was sent to Sing Sing for larceny of Bund funds and for forgery. Before the Bund was finally abolished, it staged an open rally at Madison Square Garden in New York City, attracting a crowd, estimated at twenty thousand, that carried placards bearing anti-Semitic slogans.

In the spirit of the moribund Ku Klux Klan, William Dudley

Pelley organized the Silver Shirts the day after (as he boasted) Hitler became Chancellor of Germany. Numerous imitators of Pelley sprang up, among them the Reverend Gerald B. Winrod of Kansas, who added anti-Catholicism to his witches' brew of mass prejudices. When Winrod sought the Republican nomination for the Senate, party leaders campaigned successfully to defeat his attempt to inject religious bigotry into their ranks.

The case of the Reverend Charles Coughlin of Royal Oak, Michigan, was unique because of his extraordinarily large radio and personal following. To the embarrassment of his superiors in the Church, who hesitated to curb opinions on nonreligious matters, Father Coughlin embarked on an anti-Semitic campaign in 1938 which revived the Protocols of the Elders of Zion, held Jewish bankers responsible for the Bolshevik Revolution, and in some cases used verbatim the propaganda put out by Goebbels. Claiming him as their inspiration and authority, certain rowdy elements in New York City united in the "Christian Front," and others, led by Joseph E. McWilliams, formed the "Christian Mobilizers." Thereupon assaults were made on residents of Jewish extraction in that city. When Father Coughlin, combining his vilification of President Roosevelt with that of the Jews, offered his political support to Willkie in 1940, the Republican candidate replied witheringly: "If I understand what his beliefs are, I am not only not interested in his support—I don't want it. . . . I have no place in my philosophy for such beliefs. . . . I don't have to be President of the United States but I do have to make my beliefs clear, that is, in order to live with myself."

Racketeering and the "Gangbusters"

During the thirties the crime of kidnaping, which robbed the Lindberghs of their oldest son in 1932, replaced the liquor racket of the preceding decade as a profitable field for gangsters. Public opinion, although it enjoyed the harrowing details of the crimes reported in the daily papers, was less complacent toward the failure of our law-enforcement officers. Accordingly it favored the broad expansion of federal authority in the so-called Lindbergh law of June, 1932, which made kidnaping a major federal crime if the victim was taken across a state line. When kidnaping showed no signs of slackening, Congress in January, 1936, strengthened this law by making the

minimum penalty ten years' imprisonment and imposing a fine of \$10,000 on anyone passing, receiving, or otherwise handling ransom money. California, the scene of several kidnappings involving wealthy residents, imposed the death penalty on kidnapers who harmed their victims; Maine and Oklahoma also provided additional severe penalties for this crime.

Despite a formidable array of crimes and criminals, the decade became known for its vigorous prosecutors and the vigilant—and highly romanticized—Federal Bureau of Investigation headed by J. Edgar Hoover. It is suggestive of the new public conscience that Thomas E. Dewey, the outstanding district attorney of New York who successfully prosecuted important and powerful political grafters and racketeers, should not only be elected governor of the Empire State but be nominated by the Republican party for the Presidency itself. After decades of indifference, the forces of good government rid Kansas City of the notorious Tom Pendergast machine. Despite his erratic judgments, Westbrook Pegler, the syndicated columnist, won commendation for his attacks on racketeering, especially as it existed in Chicago and Kansas City. Important scientific advances were made in crime detection in Chicago, where gang feuds and organized graft, like Jack Zuta's alliance between politicians and crime, were rife. In 1933 New York City expelled the well-entrenched Tammany forces when it elected a liberal reformer, Fiorello H. La Guardia, mayor on a Republican-Fusion ticket. La Guardia not only restored the city's shaken credit but established a miniature New Deal.

Vocationalism Intensified

Education suffered from the depression in crowded classrooms, shortened school terms, declining endowments, slashes in teachers' salaries, generally reduced budgets, and the closing of many private schools, but much of the lost ground had been recovered by the end of the decade. During the depression young people attended school more regularly and, if they could afford it, continued their education to advanced levels of study that led to high academic degrees, rather than face enforced idleness. College enrollment increased far more rapidly than the population. In 1925, 800,000 were attending college, but ten years later this figure had risen to 1,200,000. Federal

grants-in-aid, especially subsidies for the National Youth Administration, enabled thousands to go to high school and college.

Most spectacular were the gains in vocational education and the corresponding decline in liberal arts courses. In 1930, students in federally aided vocational schools totaled considerably less than a million; a decade later, 2,290,741 were enrolled. California, New York, Texas, and Georgia had the heaviest enrollment in vocational studies such as home economics, trades, and agriculture. A vital adjunct to this advance was the Emergency Education Program under the Federal Emergency Relief Administration, which absorbed fifty thousand unemployed teachers for work in vocational rehabilitation as well as in more general school subjects. Over 1,500,000 children and adults attended classes, ranging from the nursery-school level through elementary English and recreational classes to relatively advanced adult courses in current social issues, fine arts, and occupational adjustment problems. The EEP also took pioneer steps in the vital field of education in labor problems, although not without persistent charges of radicalism by the anti-New Deal press. Business courses, spurred on by the current preoccupation with job hunting, boomed to such an extent that many of the relatively new colleges of commerce dwarfed the older departments of the universities.

Revitalizing the Social Gospel

Church attendance, with minor exceptions, at first declined during the depression, reflecting at an accelerated pace the long-term trend toward secular interests. Interdenominationalism scored a major victory in 1939, when the four leading Methodist sects united in a single church of eight million members, and incidentally healed a schism between North and South dating from the eve of the Civil War. Sharply reduced revenues during the economic crisis compelled the churches to turn over most of their charitable activities to the government.

According to Hornell N. Hart, the sociologist, the clergy showed a marked sympathy for radical economic programs as the depression deepened. A questionnaire sent to some 100,000 Protestant clergymen in 1934 revealed an overwhelming sentiment for a "coöperative commonwealth" as against capitalism; 31 percent wanted a socialist order, and communism and fascism each received 1 percent of the

vote. According to another poll, Congregationalists favored consumers' coöperatives by a three-to-one vote. Other sects showed similar leftist trends. A strong pacifist feeling was revealed by the fact that 75 percent of all the Protestants included in one questionnaire wanted the church to oppose war. Alfred Landon, the Republican standard-bearer of 1936, openly fought the tendency of his fellow Methodists to uphold pacifist views. On the whole, churchmen were ready to concede that waging a "just war" was a Christian duty.

Journalism and the Popular Magazines

Newspaper circulation fell off by four million during the crisis years but a decade later had more than recovered the 39,500,000 readers it had in 1930. Nevertheless, largely as a result of mergers, there were sixty-four fewer newspapers in 1940 than there were ten years earlier. A serious blow to newspaper revenue was the increasing shift to the radio as an advertising medium. Pro-New Deal papers, assailing the inactive role of the press during the depression, attributed it to the fact that journalism had become a business enterprise of great financial proportions and consequently had a stake in the upper-middle-class stratum of society.

Administration supporters pointed out the wide disparity in the fact that, although two-thirds of the daily papers fought Roosevelt's reelection in 1936 (this was true of three-fourths of the papers in 1940), he received an overwhelming popular vote at the polls. New Dealers labeled as camouflage the publishers' campaign for "freedom of the press," led by the archenemy of the administration, Colonel Robert R. McCormick of the influential Chicago *Tribune*. McCormick's paper, an antiunion, isolationist, and thoroughly conservative (critics said reactionary) publication, had a million readers in 1940 and thus ranked second among the dailies. Furthermore, it was closely connected with the powerful anti-New Deal tabloid, the New York *Daily News*, whose circulation of 3,400,000—a tribute to the power of gross sensationalism—put it in first place. Liberals therefore found little satisfaction in the gradual dissolution of Hearst's once-vast newspaper empire. Newspaper publishers gave labor and the New Deal scant favor, but instead channelized their reform energies into campaigns against political machines and racketeering.

In social trends, magazines paralleled the newspapers. Robert

Cantwell, the liberal magazine editor and novelist, based the popularity of *True Story* magazine during the depression on the fact that its stories tended to quiet unrest among the unemployed. Whatever the reason, by 1937 its circulation had more than recovered its pre-depression total of 2,167,000. Commenting on the prevailing vogue for escapist literature, Cantwell estimated that the 400,000 circulation of the four "spicy stories" magazines, which featured sex themes, was equal to that of the nation's five leading intellectual and cultural magazines combined—*Harper's*, *Scribner's*, the *Atlantic Monthly*, the *Nation*, and the *New Republic*. The twelve leading movie magazines had a combined public of 3,500,000, and the millions who avidly read Wild West exploits turned eagerly to stories about "gang-busting" detectives and the romanticized G-men.

An arresting phenomenon in magazine history was the growth of *Reader's Digest*, a twenty-five-cent pocket-size periodical which began with a small Greenwich Village clientele in 1922 and attained a national—and international—circulation of 1,801,400 copies by 1936, despite the depression. Its editors, De Witt Wallace and his wife, tapped a new reading public eager for the condensed nonfiction articles of current interest which *Reader's Digest* provided from some thirty-five magazines. The Wallaces demonstrated that nonfiction magazines could be highly profitable even without advertising. A legion of digest imitators sprang up, capitalizing on the desire of millions for "streamlined" reading which made no great demand on concentrated attention. Popular interest in weekly news summaries was reflected in the rapid rise of two chatty and unconventional magazines, *Time* and *Newsweek*. In spite of the depression, the leftist literature of social protest, typified by the *Nation*, the *New Republic*, *Common Sense* and the *New Masses*, appealed to an inconsiderable proportion of the population, for most magazine readers preferred politically neutral or escapist themes.

Radio: Fireside Chats and Quiz Programs

Spurred on by a demand for cheaper portable or "midget" sets, radio prospered during the decade. Whereas only 9,000,000 homes possessed radios in 1929, by 1940 a radio was an integral part of 29,200,000 homes—practically universal, in fact. The total number of radios in use increased more than fivefold in the ten-year period—

from 10,500,000 in 1930 to 54,000,000 in 1940. By the latter year radio sets had become self-contained units except for the electrical connection, and the cumbersome outside aerials had been eliminated; the highly popular automobile radios were equipped with short rod antennas. Tuning became automatic, a push button being provided for each station. Combination phonograph-radio sets were produced in large numbers to satisfy the demand of people with discriminating taste in music. Experiments were made with television programs, but full commercial exploitation of this field was yet to come.

A wide variety of radio programs, ranging from "crooning" and "hot jazz" to outstanding features like Toscanini's superb orchestral music, the University of Chicago Round Table, and the vital Town Hall of the Air, were available. The European crisis awakened a strong demand for foreign news and news analyses and brought into prominence a small army of news commentators, among them H. V. Kaltenborn, Lowell Thomas, Gabriel Heatter, and Boake Carter. For the most part, the newscasters avoided the biased presentation characteristic of the daily press.

Extremely important from the standpoint of a functioning democracy were President Roosevelt's "fireside chats," in which he gave the people a periodic accounting of his political stewardship. Radio stations solved the problem of political bias during campaigns by allocating time to each leading candidate for office, including Earl Browder, the Communists' perennial candidate for President. Ultimately it was thought not inconsistent with the ideal of free speech to bar Father Coughlin's incendiary speeches from the air waves. Its own system of self-regulation enabled the radio industry to avoid any real efforts at censorship on the part of the Federal Communications Commission.

Movies: Double Features and Censorship

The movies, perhaps more than all other forms of entertainment combined, consumed an increasing share of the average American's leisure time. This was true especially with the advent of the double feature. Although attendance in 1933 fell off by one-third from the predepression total, the lost ground was largely recovered within a few years; by 1940, an estimated eighty million persons were attend-

ing the nation's 19,615 motion-picture theaters each week. Theater managers tried to offset the decline in box-office receipts during the depression by giving away premiums like dishes or washing machines or providing cash prizes to be won in "bank night" drawings or in "bingo."

Hollywood's domination of the world film market was curbed toward the end of the decade first by extreme nationalism and then by the war. Sound movies were firmly established during the depression, technicolor was introduced, and numerous other improvements in photographic and sound techniques were made. More than forty pictures in the million-dollar class were produced in the boom year of 1936. Pictures were classified A, B, or C, not according to artistry but on the basis of cost.

Perhaps, as Charles and Mary Beard suggest in *America in Mid-passage*, the huge financial stakes involved in Hollywood productions and the increasing control of the industry by bankers explain the fact that motion pictures for the most part avoided the basic social and economic issues of the 1930's. But this tendency was common to journalism and radio broadcasting as well. Catering to a huge world market, Hollywood producers carefully avoided offending democratic peoples as well as Fascists, until war made this policy unnecessary. Thus, fears of Fascist displeasure seemed to explain the refusal to film Sinclair Lewis' *It Can't Happen Here*. Only a discriminating minority asked for greater realism than was implied in Walt Disney's ingenious cartoon feature, "Three Little Pigs," or the spectacular but often grossly inaccurate historical films or the gang-busting pictures.

A succession of rather sordid sex pictures during the early 1930's was arrested suddenly in 1934 by the rise of the Catholic Legion of Decency, led by the Reverend Daniel A. Lord of St. Louis, a Jesuit priest and the editor of *The Queen's Work*. Fears of an expensive boycott led Hollywood to make an about-face and establish an internal censorship office under Joseph I. Breen, an Irish-American Catholic. With exaggerated caution producers shifted from the heavily sophisticated Mae West and George White pictures to such juvenile classics as *Mrs. Wiggs of the Cabbage Patch* and *Anne of Green Gables*.

Like the magazines, the movies of the depression era (and of course

before this) were largely neutral or escapist. Not infrequently, however, a picture appeared which stressed bad housing conditions, as in *Dead End*, or the sufferings of migratory farm workers, as in *The Grapes of Wrath*, or the evils of modern industrialism, as in Charlie Chaplin's *Modern Times*. Stark realism of a high order was achieved in "documentary films," especially those sponsored by government agencies, that depicted man's reckless abuse of nature or the havoc wrought by floods and erosion; Pare Lorentz' *The Plough That Broke the Plains* and his *The River* are outstanding in this class. Will H. Hays, president of the Motion Picture Producers and Distributors of America, was probably justified when he said in 1939 that, despite all their shortcomings, motion pictures helped to remove misunderstandings by portraying the history, ideals, and culture patterns of various groups.

Recreation and the Depression

The world of sport suffered severe financial setbacks during the early part of the decade but eventually recovered in large measure. Although the amateur Golden Gloves bouts sponsored by the *Chicago Tribune* became generally popular, professional boxing declined considerably from the spectacular championship bouts of the twenties. The amazing prowess of Joe Louis, the Negro world champion, never attracted the princely gate receipts that Jack Dempsey usually drew.

Baseball receipts for the 1933 World Series dropped to slightly more than half of the 1926 figure, which was \$1,207,864, but this previous record was exceeded in 1936, when admissions amounted to \$1,304,399. An estimated 200,000 to 300,000 fans attended the World Series each year. The decade had its heroes—Lou Gehrig, the "pride of the Yankees," who in sixteen years as captain and first baseman earned \$400,000 and whose life story was made into a motion picture. The New York Yankees had the mighty Joe DiMaggio, who at the end of the decade was rated as the "most valuable player."

All the other sports continued their predepression trends, except for inevitable losses in the early 1930's. Winter sports like skiing grew in vogue. Municipal golf courses increased at the expense of private country clubs. An extraordinary revival of bicycling, espe-

cially among women, raised the production of bicycles in 1935 to 639,435—over half the total for the peak year of 1899.

In the home, contract bridge, the recognized authority on which was Ely Culbertson, attained great popularity among all classes; as the Lynds have suggested, bridge games averted many potentially dangerous political discussions and in many cases brought prestige to people who could not hope to shine in the art of conversation. Tournaments were held for the regional, national, and world championship.

Chapter 19

THE SECURITY IDEAL OF THE THIRTIES

Intellectual Trends of the Thirties

The self-confidence of the intellectual was severely tried by the great depression. Gone were the Narcissus mood of egotism, the anti-intellectualism that assumed that men were more irrational than otherwise, the aesthetic affectations of Greenwich Village, and the ultrasophisticated poses. The less educated, who were suddenly deprived of their belief that progress was inevitable, joined with the elite in seeking the shelter of government aid. It is not surprising to find that so many of the novelists, poets, playwrights, and artists, as they later confessed, found a new certainty in "proletarian" culture, a new god in Karl Marx, and a hope for redemption through the Communist party. They ignored at home the closest approximation to a classless society that yet existed anywhere for the Marxian promise of it in a distant Utopia. The well-publicized engineering exploits of the Soviet Union (which omitted the man-made Ukrainian famine) gave a strong sense of direction to many of the perplexed. After 1933, however, judging by the actual decline of articles dealing with the USSR, there were fewer intellectuals interested in Russia than during the Hoover years. The popular imagination had been caught by the promises of a new progressive movement; and before World War II began, a definite sense of social direction along American lines had been revived.

Economic interpretations were dominant during this era; economic self-interest seemed to be the key to human motivation. Re-

acting against the extreme individualism of the twenties, which had emphasized heredity, eugenics, and the psychological approach, the men of the thirties turned to the dominant influence of environmental and cultural forces. Their ideals were collective action and social security rather than adventurous individualism.

The intellectual relationship of Europe and America, hitherto one of patron and client, practically reversed itself by the end of the decade as Hitler and Mussolini expelled from the Continent its most creative minds, Christian rebels as well as "non-Aryans." Many of them, including Thomas Mann and Albert Einstein, came to the United States. Harvard opened its doors to the former Chancellor of democratic Germany, Dr. Heinrich Bruening, who became a member of its Government Department, and to several other distinguished German and Italian refugees. Yale welcomed Paul Hindemith, the great German musician; and the vast numbers of intellectual celebrities who flocked to the New School for Social Research in New York City transformed its Graduate School into the renowned "University-in-Exile." Here indeed was a favorable setting for something more than individual precocity or mere intellectual competence.

The Literary Realism of the Candid Camera

To the leading American novelists of the 1930's few literary crimes eclipsed "escapism" or a bourgeois indifference to "social consciousness." In notable instances early in the depression, craftsmanship was sacrificed in the interests of the "proletarian renaissance" encouraged by the leftist *New Masses*. The new realism engendered by bread lines, labor conflicts, and slums was definitely "hard-boiled"; it reveled in an unadorned naturalism far cruder and more unrestrained in violence than the early followers of Zola ever envisaged. To the novelist society itself was desperately ill and its illness was reflected in the degradation of the people. Even the prewar socialist writings of Jack London and Upton Sinclair seemed innocuous compared to the violently predatory tone of John Dos Passos, James T. Farrell, Richard Wright, and Meyer Levin. Endless detail, often of the nauseating variety, marked the new cult of the "candid camera" and the "documentary" school.

The literary career of John Dos Passos, which bridged two decades, reflected the abrupt change in social values. In his youth Dos Passos

went through the disillusionment of the famous "lost generation" and was largely concerned with the personal problems of an artist confused by the stupid scheme of the world around him. Then, as Max Lerner put it, he became a "historian of the collective mentality," influenced by Thorstein Veblen's incisive attack on the ideals and behavior of the "leisure class." In line with the prevailing tendency toward retrospection, he portrayed his generation in a trilogy, *U.S.A.* (1937), which stressed labor's struggles for status and security. In these three volumes—*The Forty-Second Parallel* (1937), *1919* (1932), and *The Big Money* (1936)—Dos Passos caught the mood of the changing scene by a kaleidoscopic use of news headlines and satirized the complacency of business leadership in American life.

Naturalistic writers like James T. Farrell, Richard Wright, and Meyer Levin portrayed the theme of social degeneration against the slums of Chicago. In *Studs Lonigan* (1935), a semi-autobiographical trilogy, Farrell told the story of a vicious South Side gang of young Irish-Americans, their predatory habits and the social excrescences surrounding their home and sex life. The inferential indictment of a society which could produce such unhealthy growths was damning. The incredible filth and poverty of Chicago's blighted Negro section provided the background chosen by the young Negro writer, Richard Wright, for his *Native Son* (1940), which pictured a warped human product of this squalor and lack of economic opportunity in Bigger Thomas, whose revolting crimes were committed in a grim social setting.

The rural slums of the South were no less challenging to the naturalistic school than was urban squalor. Native Southerners like William Faulkner of Mississippi and Erskine Caldwell of Georgia mercilessly flayed the degeneration of various backward rural regions and startled many a gentle reader with plots involving incest, gross carnality, and idiocy. Faulkner's *Sanctuary* (1931), perhaps the best known of his many novels, scored the stubborn backwardness and reactionary mentality of certain southern types. One of Caldwell's novels, *Tobacco Road* (1932), which enjoyed great popularity in dramatized form, presented an appalling picture of rural poverty and shiftless degeneracy in Jeeter Lester and his family. In an age when southern demagogues like Huey Long of Louisiana and Governor Talmadge of Georgia made the illiteracy, prejudices, and economic helplessness

of a vast segment of the rural population the foundation stone of their power, the sweeping indictment of "poor whites" by southern liberals was comprehensible.

Much of the tragedy of depleted soil and wasted human resources in the rural South was implied in John Steinbeck's picture of evicted Oklahoma farmers adrift on the nation's highways in jalopies, presented in the best seller *The Grapes of Wrath* (1939). More than any other novel since *Uncle Tom's Cabin*, this book awakened the people to the human cost of an exploitative agricultural system and, more important, it led to legislative action in behalf of dispossessed farmers.

Many literary expatriates of the 1920's hurried home from Europe when the depression began. Among that "lost generation" was Ernest Hemingway, who aptly expressed the changed atmosphere of his native land and now preached the new social consciousness, notably in *To Have and Have Not* (1937). His most successful theme was the Fascist threat to democracy as symbolized in the Spanish Civil War—a miniature world war between Fascist and anti-Fascist armies. In *For Whom the Bell Tolls* (1940) Hemingway depicted the martyrdom of an American college instructor who fought for Loyalist Spain and the ideal of industrial democracy. Sinclair Lewis, another outstanding individualist writer of the 1920's, also made the necessary ideological adjustment to the new social and economic emphasis. *It Can't Happen Here* (1935), his imaginative picture of the advent of fascism in America on the heels of a prolonged economic depression, became a best seller, although critics were not agreed on its purely literary merits.

More concerned with painstaking self-analysis and the breakdown of social values than with social panaceas was the meteoric Thomas Wolfe of North Carolina, whose death in 1938 cut short a brilliant literary career. His *Look Homeward, Angel* (1929), an autobiographical family chronicle, brought him into the front rank of novelists; subsequently the theme was continued successfully in *Of Time and the River* (1935) and in several later novels. Readers admired his personal idealism, magnificent rhetoric, and deep-seated sentiment. Certain novelists avoided harsh realism by rediscovering the comforting traditional virtues of home and fireside. This was the case with Thornton Wilder's popular *Our Town* (1938), although one of

his earlier volumes, *Heaven Is My Destination* (1935), was more critical in tone. On a lower literary plane was *Gone with the Wind* (1936), an extraordinarily popular historical novel by Margaret Mitchell which blended the traditional romantic qualities of southern plantation life with a certain amount of economic realism. A flood of other historical novels, from Stark Young's *So Red the Rose* (1934) to much slighter books, constituted much of the fiction read during the 1930's. Not only was there comfort for a distressed generation in stories that told of the treasured past, but there was often a tendency to find meaningful and helpful analogies between the present and the past.

Drama and the Stage: Social Consciousness

Dramatic literature reflected similar trends. The proletarian theme was most effectively sounded by Clifford Odets, who in *Waiting for Lefty* used an impressionist technique to dramatize labor exploitation and emphasized mass unity as against the isolated action of the individual. His *Awake and Sing*, a portrayal of the economic struggles of a Jewish family in the Bronx, struck a note of hopeful idealism. In the thirties as in the twenties, Paul Green continued to depict southern realism on the stage, but in a far less exaggerated form than *Tobacco Road*. He dealt sympathetically as well as understandingly with the relations of black and white (*The House of Connelly*), the decay of the southern aristocratic tradition, and the suffering of prisoners in chain gangs under their bosses (*Hymn to the Rising Sun*).

As in the preceding decade, Eugene O'Neill maintained his rank as an outstanding craftsman among his fellow dramatists, although his persistent interest in psychological subjects sometimes spurred the socially-minded critics to frank disparagement. In his long drama, *Mourning Becomes Electra*, he attempted to discover abiding human values in the Greek tragedy by Aeschylus. The historical theme enjoyed a major triumph in Robert E. Sherwood's *Abe Lincoln in Illinois*, which gave a timely emphasis to democratic idealism; his other success, *Idiot's Delight*, dramatized the economic mainspring of war. Among the other important dramatists of the period who were concerned with the immediate problems of a disjointed social order were Maxwell Anderson, whose *Winterset* was based on the Sacco-

Vanzetti case, and Elmer Rice, who excoriated fascism in *Judgment Day*, which dealt with the burning of the Reichstag by the Nazis.

The depression years blotted out the legitimate theater in many cities and left thousands of actors stranded. In New York, the last refuge of the drama, two-thirds of the theaters were dark in 1931. The long-established Shuberts went into receivership and A. H. Woods, the famous producer, also became bankrupt. Hollywood enticed many stage celebrities to the west coast, thus indirectly raising production costs for the legitimate stage because the remaining stars had to be paid more to offset Hollywood's heavily competitive bids.

To employ the thousands of actors, musicians, and other entertainers left idle by the decline in the legitimate theater, the Federal Theater Project was organized in 1935 with Hallie Flanagan of Vassar College as national director and Elmer Rice, the New York playwright, as regional director for the East. Under its auspices plays were performed in twenty-eight states; many of the audiences, especially in the rural sections, had never before seen a stage play. Despite broad streaks of amateurishness, the Federal Theater gained steadily in artistic stature; at times it undertook significant dramatic experiments which the commercial stage usually avoided. Among its more striking presentations were a dramatization of Sinclair Lewis' *It Can't Happen Here*, a convincing interpretation of Sherwood's *Abe Lincoln in Illinois*, and a jazz version of Gilbert and Sullivan's *Mikado* with an all-Negro cast. The distinguished personalities connected with the Federal Theater Project included the versatile Orson Welles, who later founded the experimental Mercury Theatre. By June, 1939, when Congress terminated it because certain critics of the administration believed it extravagant and Communist in tendency, the Federal Theater Project had become a seven million dollar enterprise employing more than twelve thousand persons and had hopes of developing into a permanent national theater for the United States.

Poetry: Era of T. S. Eliot

Poetry lost the atmosphere of unintelligibility and personal nostalgia so fashionable during the 1920's among many followers of Ezra Pound and Gertrude Stein. That Pound himself, basking on the shores of Italy, would later openly embrace Mussolini's Fascism be-

came clear when his "Jefferson and/or Mussolini" appeared. On the whole, American poets forsook the hyper-aestheticism of "pure art" in favor of expressing the new social issues. Typical of this shift was Archibald MacLeish, who revealed the current feeling of social bewilderment in "Land of the Free," an ironic poem that described the now tragic westward movement of evicted farmers and the plight of jobless coal miners and factory workers. Likewise, although Edna St. Vincent Millay frequently reverted to her earlier emotional yearnings, she protested against economic injustice in *Wine from These Grapes* and bitterly lamented the fall of democratic Spain in "Say That We Saw Spain Die." A new rebellious spirit filled Carl Sandburg, particularly in the defiant *The People, Yes*, with its reformist theme of social democracy. But few followed Robinson Jeffers in defining anew the agony of a soul battered down by spiritual frustration.

T. S. Eliot, who had despaired over the spiritual drought and sterile skepticism of the twenties in *The Waste Land* (1922), discovered a refuge in the church and its dogmas, for his poem "Ash Wednesday" (1930) was a public confession of his conversion to Anglo-Catholicism. This exaltation of faith and the certainties of the past as the savior of the turbulent modern world underlay his religious poem, "The Rock" (1933), and the poetical play, *Murder in the Cathedral* (1935), which was based on the martyrdom of Thomas à Becket. But Eliot's indisputable reputation as a "poet's poet" was won not primarily because of his religious message or even his metaphysical subtleties but rather for his superb poetical technique, his invigorating imagery, and—to a considerable extent—his intellectuality. As a result the Eliot school, despite accusations of rank Toryism and cloistered detachment, proved extremely influential in both creative poetry and aesthetics.

More than ever, novelists, dramatists, and poets turned to regionalism as the key to the integrated folk life of a cultural area. Among the most self-conscious regionalists were the southern agrarians, including the so-called fugitive group of Nashville poets led by Allen Tate, a devotee of T. S. Eliot, and John Crowe Ransom. In *I'll Take My Stand* (1930) this group, joined by other southern writers and teachers, stated its belief in a rural southern traditionalism cast in a precapitalist, Jeffersonian, aesthetic mold. This series of essays was

promptly labeled aristocratic romanticism in the liberal press, and its rejection of machine culture and the modern scientific temper was called reactionary. But, as already noted, few of the leading southern novelists who wrote about the deep South continued to err on the side of romanticism.

Social Consciousness in History

The depression did not make Marxists of many American historians, but it led the craft to view the past through lenses that were somewhat tinted by economic determinism. Those who escaped this influence were under pressure to offer an environmental explanation of events that eschewed the "great man" theory of causation, naïve idealistic theories, and pure antiquarianism. In the writing and teaching of American history, the ardent disciples of Frederick Jackson Turner (he died in 1932) converted most text writers to the view that the frontier had played a determining role in creating American culture and in developing the national traits of democracy, self-reliance, and hard-headed practicality. Among these disciples were Avery Craven, who applied the Turner theories to the South, Walter P. Webb, whose book *The Great Plains* (1931) showed the role of technology in conquering the West, and a host of others affiliated with the Mississippi Valley Historical Association.

The Nye Senate Investigation Committee of 1934, which studied the relations between bankers, munition makers, and the Allies during World War I, left such a shocking impression of a sinister conspiracy leading to our intervention in the war that not only did sensationalists capitalize upon the economic reasons for war but academicians like Charles A. Beard popularized the conclusions. Beard had contended for decades that economic pressures were the mainspring of history. In 1939 he and his brilliant wife Mary reviewed the civilization of the thirties in *America in Midpassage*, the third volume in their survey of American history. Beard's suspicions of investment bankers and their influence on foreign affairs led him to advocate economic self-sufficiency in *The Open Door at Home* (1934), and he justified the historical soundness of hard-boiled realism in foreign affairs in *The Idea of National Interest* (1934). He derided internationalists as meddling, or starry-eyed idealists, or sinister tools of the interests.

Although debunking in the Woodward style had ceased to be popular, the atmosphere of social criticism resulted in numerous unflattering portraits of famous business leaders, usually done by freelance writers rather than academicians. In *The Robber Barons* (1934), for example, Matthew Josephson presented the post-Civil War generation of multimillionaires as financial buccaneers; his *The Politicos* (1938) portrayed their corrupt alliance with politicians. A mild sensation was aroused by Ferdinand Lundberg's *America's Sixty Families* (1937), a critical biographical treatment that had sinister implications for the survival of democracy. On the other hand, Rockefeller was given an appreciative evaluation in Allan Nevins' painstaking two-volume work, *The Life of John D. Rockefeller*.

The New Deal gave historians a helping hand by sponsoring highly relevant research projects. For example, the guidebooks prepared by the Federal Writers Project of the WPA covered each state and told in popular form the history and present-day social life of the areas covered. The WPA assembled vast inventories of documentary materials such as the Survey of Federal Archives and the Historical Records Survey. Long-forgotten letters of Daniel Boone turned up in an old North Carolina courthouse and thousands of Lincoln war dispatches and Civil War documents were discovered in the musty dome of Chicago's old post office building. There were large-scale projects which provided indexes and abstracts of newspapers; some issued highly selective translations of the foreign-language press in this country.

Trends in Political Science

Social scientists turned increasingly after 1936 to a major tool of analysis, the public opinion survey, which employed modern sampling methods to measure political preferences of the voter. That year the election of Roosevelt (including his margin of victory) was accurately forecast by public opinion polls, of which the best-known was that of Dr. George Gallup, a statistician who had founded in 1935 the American Institute of Public Opinion. This agency conducted polls on public issues, public attitudes toward the news, and advertising preferences. Its accuracy also had the unfortunate effect of giving politicians a feeling of overconfidence or, on the other hand, so discouraging them as to affect their conduct of a campaign.

The failure of the polls to predict the reelection of Truman in 1948 had the wholesome effect of tempering their exaggerated prestige as a political oracle. Meanwhile, universities as well as commercial and governmental agencies applied the new techniques of opinion sampling to sociological and business problems.

Big government, regardless of party, had come to stay, bringing with it the problems of recruiting a career service and maintaining efficiency in office. So rapid was growth of the science of public administration, led by scholars like Leonard White of the University of Chicago, that few universities of any size dared to offer a program in political science without some courses in public administration. Roosevelt's war on the Supreme Court was reflected in an avalanche of scholarly and popular books on judicial review; his numerous precedent-breaking steps such as the third- (and fourth-) term issue stimulated a literature of its own among political scientists. The challenge of totalitarianism stimulated renewed interest in political philosophy, which examined the beliefs underlying our institutions.

Economists: The Assault on Laissez Faire

Both Hoover and Roosevelt had found orthodox economic theory inadequate as a tool of analysis for a depression of the magnitude that they faced. At first Roosevelt leaned upon Professor James H. Rogers of Yale for advice. Although the professor favored the use of temporary budget deficits to curb depressions, he completely rejected the highly unorthodox monetary experiments and later became openly critical of the long-deferred balancing of the budget. Increasingly, as already noted, Roosevelt turned to the disciples of the English economist, John Maynard Keynes, and the new "Keynesian economics," which broke with the classical assumptions regarding interest, unemployment, and deficit financing. Keynes emphasized the key depression role of federal investment to supplement private enterprise.

Among the economists, the "institutionalists" had long attacked the "economic man" of Adam Smith, father of classical economics. Smith had depicted a neat self-correcting economy based upon the self-interest of the producer and the consumer. In a purely competitive economy, dislocations of capital and labor would right themselves and a price "equilibrium" would result. Institutionalists re-

garded this theory as unrealistic and preferred to combine economics with history, sociology, and anthropology in their study of any "institution" in our society. Most influential in this period of social protest were the writings of Thorstein Veblen. Despite his extreme criticism of the allegedly predatory role of businessmen and financiers as compared to the creative role of the engineer, he offered many insights that proved of value in understanding absentee ownership and the social responsibilities of business.

Veblen's book *The Engineers and the Price System* (1919) was claimed by Howard Scott's industrial engineers to have inspired their meteoric (and short-lived) crusade for "technocracy." They hoped to replace the limited productivity of the contemporary "price system" with an engineer-dominated system that would permit the maximum use of modern technology.

The reiterated challenge, "Want in the midst of plenty," came under the microscope of economists with the publication of *America's Capacity to Produce* (1934), issued by the Brookings Institution. The authors held that even during the prosperous late twenties the nation's productive capacity had been far above actual production, perhaps by as much as \$15 billion. Brookings also sponsored a companion volume, *America's Capacity to Consume* (1931), which revealed the almost infinite market that was still untapped in a society where, even in the peak year of prosperity, one-fifth of the families earned less than \$1000 and 71 percent received less than \$2500.

Repeated revelations of bigness in industry and finance such as those of the TNEC compelled economists to give far greater attention to monopoly than in former years. Classical theories which stressed the role of consumer resistance to monopoly were modified by newer ideas of "imperfect competition" and "monopolistic competition." Leaders in this trend were Professor Edward H. Chamberlain of Harvard, author of *The Theory of Monopolistic Competition* (1933), and Joan Robinson, an Englishwoman who wrote *The Economics of Imperfect Competition* (1933). These theories held that, for the purpose of analysis, monopolist conditions rather than purely competitive factors were to be taken as "ubiquitous and determining, rather than exceptional and inconsequential, features of modern economic life."

Environmentalism and the Social Studies

In a reform era the intellectual emphasis tends to be upon the influence of the environment in affecting personal behavior. To change the environment was to change man. The twenties had emphasized the psychological approach to social problems and had been concerned with the power of heredity. Now the tendency was to stress the "cultural" approach, which meant the influence of social forces and learned behavior on the individual. Sociologists turned to regional studies of social behavior that often proved useful for social planning. Urban sociologists multiplied in number, absorbed by "human ecology," which was a concept borrowed from biology and dealt with the environmental effect of neighborhoods upon social behavior. An examination of over three hundred research projects in 1934 showed that the three most popular fields were human ecology, poverty, and dependency.

The concern for social action in a time of world crisis led to a greater insistence upon coöperation among social scientists. But this was difficult because intensive specialization had erected an intellectual tower of Babel in which professors spoke different technical languages. That specialists knew more and more about less and less was not merely a witticism but an accurate description of the higher learning. Deeply concerned, the Social Science Research Council and other agencies led the way to an "interdisciplinary" approach which would break down the artificial departmental walls that separated specialists. Not least among the concrete results of this movement was the comprehensive fifteen-volume *Encyclopedia of the Social Sciences* edited by Edwin R. A. Seligman and Alvin Johnson in co-operation with the ten leading social science societies. This was no ordinary encyclopedia but a highly authoritative work which was comparable to the famous French *Encyclopédie* of the eighteenth century in presenting the best knowledge of the time.

Anthropologists entered the arena of action to battle the theories of racial superiority which Nazi propagandists were teaching. Once more Franz Boas and his disciples struck at racialism just as they had during the twenties when the issues of immigration restriction and eugenics stirred the country. In *Race Differences* (1935) Professor

Otto Klineberg examined the existing studies of racial traits as reflected in psychology tests but found no scientific proof that races differed in mental ability.

The cultural approach to social science affected the psychologist and psychiatrist as well. Social psychology thrived. More psychiatrists tended to explain mental problems in cultural terms rather than those of heredity. For example, Karen Horney's widely read *The Neurotic Personality of Our Time* (1937) dwelt heavily upon disturbing environmental and cultural influences upon mental balance. The rapid increase in the number of patients entering mental hospitals led writers to attribute this fact to the depression. However, the weight of opinion inclined to the theory that hard times made it impossible for many families to care for their mentally ill at home.

Education: The Hutchins-Adler Revolt Against Relativism

President Robert Maynard Hutchins of the University of Chicago attacked the college curriculum for its exaggerated vocationalism and narrow factualism. In *The Higher Learning in America* (1936) he borrowed an apt title from Thorstein Veblen, who had also assailed the colleges for their exclusively pecuniary interests. Hutchins denounced the intellectual disorder promoted by the free elective system introduced a generation before by President Charles Eliot of Harvard. Students selected courses according to their preference of hours, the professor, and the ease of the subject rather than because of any basic philosophic plan. Thus the student piled up credits in a miscellany of courses, many of them utterly trivial. Hutchins declared in his emphatic way: "The common aim of all parts of a university may and should be the pursuit of truth for its own sake. But this common aim is not sufficiently precise to hold the university together while it is moving toward it. Real unity can be achieved only by a hierarchy of truths which shows us which are fundamental and which subsidiary, which significant and which not." Since Christian theology would no longer serve the colleges in a secular day to achieve such a unity of absolute truths, he turned to philosophy to do this task.

He wished to replace mere factualism by a unified philosophical conception of the universe, which, he believed, would afford an unshakeable basis for democracy and social justice. To recover the wis-

dom and certainties of the past, he strongly advocated the study of a hundred selected "great books." This idea was introduced successfully at St. John's College, Maryland, and later extended to adult discussion groups meeting in city libraries. At the University of Chicago, the doors were opened to qualified high-school juniors, who could then earn a degree by passing within four years very comprehensive examinations. Those who came with a high-school diploma might win the degree on the same basis in two years. But the mere accumulation of credits was abolished.

Hutchins and his followers, notably Mortimer J. Adler, the philosopher, were roundly criticized by educators throughout the country. Adler, who had come to the University of Chicago with Hutchins, was an outspoken disciple of St. Thomas Aquinas (although he was not a Catholic). He castigated the relativist philosophies of his colleagues because they could not accept the idea of absolute values in their thinking. With Hutchins he shared the medieval dream of intellectual unity as a means of checking anarchic skepticism. Catholics, who were experiencing a notable revival of Thomistic philosophy which had begun more than a generation earlier, heartily endorsed the transformation taking place at the University of Chicago. On the other hand, the pragmatists who followed John Dewey labeled the Hutchins-Adler group utterly reactionary, throwbacks to the intolerant dogmatic systems of the medieval era. Pragmatists denied that one could know absolute truths and asserted that probabilities were the best that could be hoped for.

While Hutchins impressed only a few colleges in these years, John Dewey and his disciples enjoyed their greatest prestige and dominated the elementary schools and high schools. Dewey's social consciousness met the challenge of the great depression, which shook the influence of home and church and encouraged extravagant demands that the school remold the social order. Dewey had long taught that intelligence should direct the evolution of society toward greater democracy, that the school was a miniature society, and that democratic habits must begin in the classroom. His reformist colleague at Columbia University, Dr. George S. Counts, insisted that the country was moving toward collectivism and urged that the school build a social order of "democratic collectivism." Another important colleague, William H. Kilpatrick, advocated frank indoctrination with-

out fear of propagandizing to achieve a socially coöperative society.

Social consciousness and the frank inculcation of moral and political values in the schools received an emphatic endorsement in the 1934 report of the Commission on Social Studies appointed by the American Historical Association. The Commission asserted that "the age of individualism and laissez faire in economy and government is closing and a new age of collectivism is emerging." It recommended that students be given a deeper knowledge of society and that teachers be better informed on contemporary problems and events. Among the goals stressed were democratic freedom, untrammelled scholarship, economic security, cultural tolerance, enlightened nationalism, and the substitution of coöperative and moral values for acquisitive individualism.

More laws affecting the curriculum were passed in the thirties than had existed in 1928. High-school and college administrators were urged not only to add more vocational subjects but also to introduce courses in racial tolerance, labor problems, foreign affairs, and good citizenship. Rather encouraging from the standpoint of academic freedom during a reformist era was the nation-wide trend toward establishing permanent tenure for competent teachers who had completed satisfactorily a brief trial period. This made it safer for the more progressive teachers to discuss current problems freely. However, the smaller communities resisted this trend.

Physics and Astronomy: Rise of Nuclear Physics

Physicists both here and abroad were so deeply interested in the nature of the nucleus of the atom that nuclear physics came to dominate the field by the end of the decade. In 1931 Dr. Harold C. Urey of Columbia announced his discovery of an isotope of hydrogen with an atomic weight of two instead of one; he called it deuterium. The discovery of this "heavy hydrogen," as it became known, was followed immediately by experiments to determine the physiological effects of heavy water, which contains deuterium, on plants and animals, and finally on the aging of the human body itself. Urey's research, which won him the Nobel Prize, introduced undreamed-of possibilities of new compounds of hydrogen and led Ernest E. Rutherford, a leading British scientist, to hail this development as "one of the most important discoveries of the century." It also

opened a new path for the "atom-smashers," for these physicists (some of them were practically electrical engineers) now sought to discover the properties of the nucleus by bombarding atoms with deuterium particles and with the newly discovered neutrons, the non-electrically charged particles in the atom. The ancient dream of transmuting baser elements into gold would soon be realized—at least so popular science magazines implied.

Physicists—in particular Robert A. Millikan of the California Institute of Technology and Arthur H. Compton of the University of Chicago, both of whom won Nobel Prizes—made the front pages by their measurements of the cosmic rays, whose all-pervading energy was already known to both European and American scientists. Although Millikan and Compton disagreed as to whether these rays were a form of radiation or consisted of charged particles, both agreed that they originated in interstellar space beyond the Milky Way. Even sober scientists speculated on the possibility that atomic energy, perhaps from these cosmic rays, would revolutionize civilization by providing an unlimited source of motive power. An important step toward this goal occurred in 1939 when German scientists split the uranium nucleus by means of neutron bombardment and released some 175,000,000 electron-volts of energy per atom. In spite of the strained relations between the two countries, American scientists were able to obtain sufficient data to confirm the experiment.

Despite drastic cuts in research budgets resulting from the depression, research men, especially in the larger, better-equipped laboratories, were able to make spectacular progress through the coöperation of individuals and institutions. This was particularly apparent in astronomy, for observatories and the other expensive equipment required could be used jointly. Ingenious applications of modern photography followed the pioneer lines laid down by George E. Hale of the University of Chicago, whose spectroheliograph, invented in 1891, enabled him to photograph the sun and thus study the prominences at its edges. In 1936 Robert R. McMath and his associates at the University of Michigan took motion pictures of the sun.

During the latter part of the decade certain astronomers challenged the popular theories of the "expanding universe"; one of them maintained that, on the contrary, the universe is tending to-

ward disintegration. To clarify this and many related problems, plans were made for the construction of a two-hundred-inch telescope at Mount Palomar, to be completed in the 1940's, which would penetrate more than a billion light-years.

Pluto, a long-awaited planet, was finally identified from a photograph taken in 1930, which showed it beyond Neptune. The orbit of the new planet had been estimated by means of intricate calculations, and predictions as to its location had been made in 1914 by Percival Lowell of Harvard; hence its discovery was hailed as a triumph of mathematical astronomy.

Applied Chemistry and Medicine

Among the natural sciences, applied chemistry alone had little to fear from the depression. On the contrary, the demands of businessmen and manufacturers for lower costs and rigid economies created employment for industrial chemists. Cellulose wrappings, synthetic resins, and attractively colored plastics were developed and gained immediate popularity. The use of cellophane as a sanitary, non-porous wrapper for foodstuffs and other perishable goods became universal. The astonishing advances in the field of plastics gave resilience, economy, durability, and beauty to a host of products, including radio cabinets, fountain pens, electrical appliances, and automobile parts. One movement in the field of industrial chemistry which attracted Henry Ford's keen interest was known as chemurgy; it offered a possible alternative to crop restriction by demonstrating the use of certain farm products as sources of alcohol, oil, and other needed industrial materials. In 1939 Congress subsidized huge regional laboratories employing several hundred scientists and industrial engineers for research work in chemurgy. Experiments in raising chemically fed crops suggested the enormous possibilities of "tray agriculture."

Chemistry and medicine enjoyed a fruitful alliance during the thirties that resulted in the miracle-working sulfa drugs to combat certain infections and in the synthesis of vitamin K concentrate used to prevent hemorrhage, especially in surgery. The epidemic of infantile paralysis in 1935 centered public interest on the battle against it. President Roosevelt's own experience with the disease some years earlier led him to sponsor an annual drive for funds for the Warm

Springs, Georgia, Foundation, devoted to treating its victims. Strong hopes that a means of controlling epidemics had been discovered arose when two New York physicians, Maurice Brodie and William H. Park, reported favorable results in preventing infantile paralysis in children by means of special vaccines. Scientific skepticism, however, tended to discount these claims.

The Era of Streamlined Inventions

Engineers and inventors also made notable progress in making people both more comfortable and more productive. The air-conditioning of factories, offices, homes, sickrooms, and department stores had interesting implications for the South, with its proverbial 90 degrees in the shade, as well as for increased comfort and efficiency elsewhere in the hot summer months. The economy, comfort, and attractiveness of prefabricated houses awakened enthusiasm as a means of eradicating slums and raising the aesthetic level of middle-class homes. Streamlining was applied lavishly to trains, automobiles, and airplanes, imparting a popular impression of beauty and speed; it soon became a vogue in itself.

Trailer cars enjoyed great popularity, for they made possible an interesting form of community life on wheels and served as an inexpensive substitute for privately owned homes. Fluorescent lighting, which made for efficiency without overheating, was used ever more widely in home and display lighting. Extremely popular toward the end of the decade was the candid camera, whose ability to catch fleeting but informal poses amused countless fans. A sad commentary on the ever-present fear of technological unemployment under an unregulated competitive system was the widespread controversy that greeted the Rust brothers' invention of a huge mechanical cotton picker; this immediately raised the nightmare of unemployment for the farm workers of the South, especially Negroes.

Modernism Versus Classicism in Architecture

Architects suffered severely during the depression because of the halt in construction. Skyscrapers were widely resented more than ever by owners of nearby property and by real-estate interests because of their harmful effect in absorbing potential tenants from the surrounding area, thus adding to the congestion and lowering values.

Hence Radio City, the gigantic project which John D. Rockefeller, Jr., undertook early in the decade and which covered several blocks in crowded mid-Manhattan and cost over \$250 million, drew considerable criticism as well as praise. The architects were Raymond Hood, famous for his design of the Chicago *Tribune* building, Harvey Corbett, and Hartley B. Alexander. Nevertheless, to many people the decorative scheme seemed garish and startling. Professor Harry F. Cunningham of the University of Nebraska deplored the "current craze for rampant geometry"—the current manifestation of "modernism"—that was being taught to students of architecture. The architectural plan of the Chicago Century of Progress in 1933 and the New York World's Fair in 1939, both of which stressed the domination of machine civilization, was criticized for similar reasons. The San Francisco Fair in 1939 was received more favorably, for despite certain Hollywood effects its central artistic theme was based on the premachine civilizations of Spanish and Indian America.

The creative impulse of American architecture was stimulated by President Roosevelt's statement that "one-third of a nation [is] ill-fed, ill-clad, and ill-housed." In 1939 the architectural press, hitherto somewhat critical of the New Deal's emphasis on quantity, hailed the projects undertaken by the TVA, especially the extensive recreational and educational facilities made available to the humblest citizen, as democracy's great achievement. The stream of orders for new government buildings, of which the more noteworthy were the National Archives, the Supreme Court, and the New York and Chicago post office buildings, meant substantial employment for architects. Housing projects, in spite of their Spartan simplicity in the name of economy, attracted the more idealistic architects, who quickly recognized their social implications.

Modernism as visualized by Frank Lloyd Wright—the direct adaptation of a building to its purpose and environment—crowded out the classical tradition. Suggestive of the new trends were the bold effects in design, the simplicity of surface, and the stark absence of ornamentation. The individual was dwarfed by one of the huge single-story buildings, occupying a vast expanse of land, that Albert Kahn designed for automobile production. Soviet Russia, entranced with this new style, eagerly invited American architects like Kahn to come there. Streamlining effects and the preponderance of vertical and

horizontal lines, with a liberal use of corner windows, became common in plans for apartment buildings and private homes.

The New Deal, Patron of the Arts

The depression struck artists with exceptional violence, leaving them with little chance of making a living but giving them ample first-hand experiences for the "socially conscious" painting that became the vogue. As the manifesto of a Communist-led Artist Congress put it, art must not be isolated as "a decorative or aristocratic phenomenon or as a precious cultural indulgence." A new day for artists began in December, 1933, with the organization of the Public Works of Art Project, financed by the CWA and directed by Edward Bruce, a versatile and ardent New Dealer who had won almost equal success in finance and in painting. Bruce gained public attention in 1931 for his imaginative interpretation of the San Francisco business district, with the Bay in the foreground and the city itself in the background. Two years later, in his role as economist, he was sent to London as a delegate to the World Economic Conference.

Under Bruce's direction, art projects in all the states aroused such interest among the people as to encourage a vogue for painting among amateurs. In 1936 over five thousand artists—some of outstanding merit—were employed on these projects. At the government's insistence, the American scene was used as the leading theme, thus encouraging a departure from imitative works with an unfamiliar foreign background. Most significant was the fact that this experiment made the federal government the world's leading patron of the arts—a situation which was reflected in the creation of a Painting and Sculpture Section within the Treasury Department. Despite the grumbling of the conservative press, the traditional version of the struggling artist at work in a cold garret no longer held.

Government buildings in particular provided a huge sphere of activity and expression for mural painters. Great popularity among muralists was attained by Diego Rivera, the Mexican disciple of Trotsky, who combined colorful interpretations of the indigenous Indian culture with a leftist challenge to the economic order. Rivera, who had been "discovered" by Ambassador Dwight Morrow, visited the United States early in the decade and helped to stimulate a keen interest here in primitive art, especially that of aboriginal Mexico.

A national organization for the advancement of American Indian art was formed in 1931 by John Sloan, the famous painter of the Southwest.

In the Middle West a notable revolt broke out among regionalist painters against the "international" French style of modernism typified by Picasso. An ardent champion of the regionalists, Thomas Craven asserted that the cult of Picasso had reached "the uttermost limits of infantilism and absurdity . . . geometrical litter and phony symbols." Craven believed that the middle western regionalists were reviving the true Renaissance emphasis on local schools. Charles E. Burchfield, a pioneer artist in rural Ohio, had turned away from the cosmopolitanism and faddism of Paris and New York to search for local color in his rustic countryside; this often led him to portray prosaic themes, bleak backgrounds, and ramshackle houses.

Under Burchfield's influence, Thomas Hart Benton of Missouri, a collateral descendant of his famous senatorial namesake, eschewed the French tradition and won repeated awards from art juries for his murals delineating sharecroppers, rural Negroes, urban sophisticates, political bosses, and the everyday realities of the Middle West and South. His sardonic humor and unflattering angular style were appropriate for that critical decade but utterly disconcerting to many fellow Missourians, who regarded this artist's history of Missouri series as a caricature of their past. Another important regionalist was the Iowa-born Grant Wood, a real craftsman in technique who found his inspiration in the German and Flemish primitives. He faithfully expressed rural life through the simplicity and realism of the farmhouse scenes he knew so well at first hand. Scarcely less significant among this group was John S. Curry of Kansas, who lent poetic depth to characteristic scenes of American life and won substantial recognition for his "Baptism in Kansas" and his circus scenes. Socially-minded landscape painters tended to forget the prettified countryside in favor of such blighted scenes as eroded lands and farmhouses buried beneath dust storms. The middle western origin of so many of the leading regionalists suggested a historic shift in American art during the decade from the Atlantic seaboard to the indigenous culture of the prairies.

This movement did not go unchallenged. Lewis Mumford, a keen student of cultural processes who preached the social and cosmopoli-

tan ideals of art, derided the "patriotic school" and even charged that some of the regionalists were motivated by semi-Fascist ideals—an accusation then being made by leftists against the Nashville group of southern literary regionalists. Admitting certain exceptions like Benton, Mumford maintained nevertheless that American regionalist painters had only limited possibilities and produced merely "stale replicas" of the inferior European genre painters. To him, Craven's judgments were reactionary because they apparently ignored the role of art as an instrument of social action and turned away from the well-earned leadership held by European art. "Art is by its very nature propaganda," wrote Mumford, "that is, it seeks to share and widen a particular kind of experience." He drew a sharp distinction between art as a form of social expression and "propagandist art" in the usual narrow sense of covering only a small segment of life.

Art museums expanded considerably toward the end of the decade, a number of new ones being opened in New York and Washington. After a close study of art trends, Frederick P. Keppel noted a "shift in emphasis from custodial functions of the American Museum to its opportunities for education and other services." Also suggestive of the spirit of the thirties was the increased public support of museums; this replaced much of the support formerly received from private sources, which were depleted by heavy taxes as well as by the depression. Culminating this renaissance of interest in art was the publication during 1939 of many popular books on the subject.

Sculpture followed the same general pattern, but on a smaller scale. Government aid was extended in this field also; according to Sheldon Cheney, the art historian, "Probably two-thirds of the really important sculptors are on the government rolls." Younger sculptors in particular tended to seek a theme in the bitterness and despair of contemporary life and to defy the graceful classical tradition in favor of massive pieces, suggestive of strength and power, that were often distorted or expressed in angular lines. Primitive art of the Congo or Mayan cultures rather than the traditional Greek sculpture served frequently as a source of inspiration.

The Musician and the Depression Era

Musical spontaneity as well as the employment of musicians had already been hard hit by the phonograph, the radio, and motion-pic-

ture "talkies." Now the depression struck the remaining artists by closing concert and opera halls and many night clubs. Music in the schools absorbed relatively few in an era of contracting school budgets. However, numerous WPA orchestras saved thousands of musicians from hopeless idleness and brought "live entertainment" to hitherto isolated small towns and villages. In the battle against technological unemployment, the composers fought the effect of radio recordings and the phonograph by initiating the American Society of Composers, Authors, and Publishers. Despite general newspaper disparagement of the monopoly-fostering activities of ASCAP, the members went ahead to protect their patent rights and royalties by securing higher compensation.

Jazz musicians survived by offering sensational novelties and highly commercialized "name bands," which played for thousands of couples in large ornate dance halls. The eccentricities of "swing music" among bands of both races offered an enormously successful fad. Rex Harris, jazz devotee who looked down upon swing, later wrote, "When America went swing mad, and jazz musicians, if they wanted to live, had to play screaming high notes or flashy drum solos to crowds of frenzied jitterbugs, many said, 'Jazz is dead or dying.'" Duke Ellington, exponent of "super-swing" music, Cab Calloway (the "Hi-De-Ho man"), and Count Basie were the idols of Harlem and the Negro community of Chicago. Benny Goodman, a Chicago-born musician, led all the rest among the white band leaders addicted to swing. His dexterous playing on the clarinet was the delight of innumerable teen-age "jitterbug" dancers. In the night clubs and cafés one also heard the kaleidoscopic strains of "boogie-woogie," a form of "piano jazz" that had its ancestry somewhere in the Old South among wandering Negro musicians. It was noted for its "insistent repetitions of the bass patterns with the left hand."

Even in the best of times, opera and symphonic companies struggled with the inevitable deficits, but in this depression era the liquidation of musical organizations was catastrophic. One could take heart, however, from the evidences of artistic maturity that could be measured by the fact that native composers were writing operas good enough to please the fastidious tastes of the Metropolitan Opera audiences. Deems Taylor, composer, journalist, and music commentator, added to his previously successful opera, *The King's Henchman*,

another craftsmanlike work, *Peter Ibbelton*, which was based on Du Maurier's well-known novel. Another Metropolitan success was *Merrymount*, composed by Howard Hanson, director of the Eastman School of Music at Rochester and a definite influence upon younger composers. At the same time, the prestige of American singers rose sufficiently so that it was no longer necessary to conceal a homely middle western name behind a pretentious Italian one. Chauvinism did not account for the rapidly increasing number of native compositions in the repertoires of the leading symphony orchestras. During the season of 1939-1940 no less than 121 native works were played by the sixteen outstanding orchestras in this country.

Chapter 20

THE GOOD NEIGHBOR, ISOLATIONISM, AND COLLECTIVE SECURITY

Isolationism Grows

The overwhelming vote for the New Deal was no mandate for internationalism. Hoover's political past, like Roosevelt's, had been Wilsonian in its emphasis upon the interdependence of all nations. Roosevelt, it is true, had campaigned with Cox squarely upon a League of Nations platform in 1920, but now he was committed to a nationalist price-raising program that made it necessary to scrap the World Economic Conference at London in 1933. An internationalist at heart, he may have felt that a prosperous United States, even if secured by nationalistic methods, was indispensable to world recovery and internationalism.

Congress was far more isolationist than the White House. The Democratic and Progressive victories of 1932 brought many radical middle western and far western politicians to Washington with their agrarian-Populistic beliefs in free silver and their old suspicions of the Bank of England and the international bankers. German-Americans and Irish-Americans revived their feud against England by blocking our entrance into the World Court and in securing the isolationist kind of neutrality denied them in 1916-1917 by Wilson. Many Italian-Americans, impressed by the prestige that Mussolini had won for the homeland, also joined the isolationists. The Anglophobe Chicago *Tribune* of Colonel Robert R. McCormick, the chau-

vinistic chain newspapers of William Randolph Hearst, and the emotional nation-wide broadcasts of Father Charles Coughlin drummed up popular feeling for isolationism. Within the diverse New Deal camp were isolationist Progressives like the La Follettes of Wisconsin, George W. Norris of Nebraska, Gerald P. Nye of North Dakota, Burton K. Wheeler of Montana, and a host of Bryanites who believed that wars were thrust upon innocent masses by munition makers, bankers, and, of course, the Bank of England. The Achilles heel of the Populists and Progressives had long been their oversimplification or utter distortion of foreign affairs. Convinced that they had been proved right in their isolationism of 1917, they were determined that no new Wilson should rob them of their purpose to keep this country out of foreign entanglements.

Roosevelt's basic internationalism was reflected in his appointment of the Wilsonian Secretary of State, Cordell Hull, who believed in low tariffs and reciprocal trade agreements as instruments with which to break down economic nationalism. Allies came from peace societies like the Carnegie Endowment for International Peace, Anglophile elements in New England and the South (most Americans could still claim some British ancestors), and ethnic and racial groups affected by the adventures of Hitler and Mussolini. As Hitler advanced, American kinsmen of the Czechs, Britons, Poles, Scandinavians, and other nationalities were aroused; Jews knew that only the accident of their American residence saved them from sharing the pogrom horrors that Hitler was planning for world Jewry; and Negroes were angered by Mussolini's rape of Ethiopia. Eventually, most Americans came to realize that their survival depended upon the defeat of Hitlerism and were willing to risk war if necessary to escape the Nazi pattern of domination.

Most isolationists permitted themselves one handsome exception to their ostrich-like dogmas. This was Pan-Americanism. The anti-imperialism which so many isolationists professed sincerely could well be served by voting for the "good neighbor" program in Latin America—reciprocity, the withdrawal of marines occupying the Caribbean, the nonintervention policy as a substitute for the imperialistic Theodore Roosevelt Corollary to the Monroe Doctrine, and generous loans south of the border. Besides, isolationists tended to believe that Europe was hopelessly addicted to war and that it was

not the business of Americans to distinguish between aggressors and their victims in Europe. Pan-Americanism appeared to be a relatively inexpensive substitute for an intimacy with Europe; a united hemisphere offered a stirring challenge of the New World to the Old.

Economic Nationalism and Reciprocity

Practically every depression-ridden country resorted to desperate expedients to keep its share of a world trade that had fallen off by 65 percent since 1929. Britain built a Chinese wall of tariffs and other mercantilistic controls around her empire in a system of "imperial preference." Argentine nationalists shouted the slogan of "Buy from those who buy from us!" and signed the Roca Agreement with Britain which earmarked precious foreign exchange solely for British manufacturers and creditors at the expense of Americans. Nazi Germany, not satisfied with tariffs, went ahead to subsidize exports, divert foreign exchange from natural channels, and invent an ingenious barter system which aimed at political and economic control over Balkan and South American markets. Yugoslavia was happy at first to dispose of her heavy wheat surplus in a barter deal with Germany, but she was soon confronted with such frozen credit balances that she had to take in payment large quantities of aspirin—a fitting product under the circumstances. Likewise, South American nations doing business with Hitler were often obliged to accept a shipload of harmonicas or any other goods of which the Nazis had a surplus. At the same time, Nazi-Fascist propaganda penetrated disturbingly into Latin America.

On a smaller scale the United States had its share of economic nationalism. Its responsibility for the defunct World Economic Conference and its resistance to international currency stabilization have been noted. A bipartisan Congress eyed suspiciously any move of the administration to lower the tariff duties of the prohibitive Hawley-Smoot law. "Buy American" campaigns were being pushed by the Hearst press, the American Federation of Labor, and the National Grange.

Under these circumstances the success of Roosevelt in getting the reciprocal trade program through Congress would seem nothing less than extraordinary were it not for the fact that the trade reductions were kept from making a major breach in the high tariff wall, al-

though they did reverse the upward trend of custom duties. Yet there were some highly encouraging features in the Reciprocal Trade Agreements Act of June, 1934. It discarded the usual tariff procedure which permitted Congressmen to fix rates by logrolling methods, wherein a member would support a high duty desired by a colleague for ceramics in return for his vote for suspender protection. Since the reciprocal agreements were declared to be the sole function of the executive, the Senate was left out of the picture. The President was empowered to make trade agreements with foreign nations and to reduce duties in the Hawley-Smoot tariff up to 50 percent in return for corresponding concessions abroad. Experts from the executive departments rather than Congressmen would evaluate business testimony regarding tariff changes on a particular product. Another noteworthy part of the law was that all concessions given one country would also be extended to similar products of other countries, providing that no nation discriminated against the United States. Thus the Hull treaties were not merely bilateral agreements of a nationalistic kind but involved a general sharing of tariff concessions. In practice, penalties had to be applied to few outside of Nazi Germany, which was deprived of such benefits because of her overreaching trade tactics.

By the fall of 1939 Hull could report that nineteen countries representing three-fifths of the world's trade had signed reciprocal trade agreements with us and that three thousand concessions affecting one-third of our exports had been made in our favor. At the same time Americans were able to buy more cheaply foreign goods which did not compete seriously with our commodities. A wedge was driven into the British imperial preference system, which aimed at a self-sufficient empire, when Britain and Canada consented in 1938 to enter reciprocal trade agreements with this country. Such a step was very important for Anglo-Saxon solidarity at a time when Hitler was gaining strength from England's weakness. Reciprocity could, on occasion, be a political liability to Roosevelt because there were invariably some businesses at home that claimed to be adversely affected by a particular concession. For example, New England's textile interests, long injured by southern competition, assailed the agreement with Britain as putting them out of business. A fair estimate of reciprocity was made in 1943 by Undersecretary of State

Sumner Welles: "Our trade agreements program represented one spark of sanity in a world outlook that seemed wholly and hopelessly dark."

The Nonintervention Policy

In his inaugural address of 1933 Roosevelt declared, "In the field of world policy I would dedicate this nation to the policy of the good neighbor . . . the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors." This felicitous phrase of "good neighbor" had already been applied to Latin America by Hoover in stating his policy of liquidating imperialism; now it became the slogan of a new Pan-American crusade.

Cuba provided the acid test of anti-imperialism. Roosevelt was faced with anarchy in Cuba, blood-drenched under the terrorism of Gerardo Machado, its dictator. Behind the trouble was the collapse of Cuba's one-crop system due to the depression and the loss of much of the United States sugar market to Puerto Rico, Hawaii, and the Philippines, all of them protected by the American tariff wall. Machado hoped that his well-known pro-American policies would keep the United States on his side even while he was jailing his opponents, closing the schools and colleges where students had been politically active, and permitting his henchmen to beat, assassinate, or intimidate his critics.

Roosevelt and Hull believed that the success of their hemisphere policies depended upon forestalling marine intervention in Cuba. For this purpose they sent the Latin-American expert, Sumner Welles, to Havana. Welles mediated between the warring factions and tried to suggest to Machado that he take an indefinite leave of absence from his duties. When the dictator failed to see the handwriting on the wall, he was forced to flee by the revolt of August 11, 1933.

Meanwhile, as rioting continued, American warships moved close to Cuba's shores and Roosevelt conferred with various Latin-American diplomats, urging that if any intervention should be needed the action be taken by all the Americas. Subsequent revolutions brought Colonel Fulgencio Batista to the helm of state, and a close collaboration with the United States began. Roosevelt declared himself ready to recognize "any provisional government in Cuba in which the

Cuban people demonstrate their confidence." This was the Jeffersonian policy revived by Hoover's Secretary of State Stimson of recognizing revolutionary governments capable of respecting their international obligations.

A helping hand was extended to Cuba through a preferential reciprocity agreement. The high prohibitive duty of two cents per pound of sugar that had been imposed by the Hawley-Smoot tariff was cut to nine-tenths of a cent and similar concessions were made for other staples. In return, Cuba reduced her tariffs on many American manufactured goods.

Still more significant was Roosevelt's official abrogation of the controversial Platt Amendment of 1903, which Latin-Americans regarded as imperialistic. It had permitted United States military intervention in cases of disorder and restricted Cuba's power to borrow money or to enter treaties if these endangered her independence and threatened to provoke European occupation. This Cuban-American treaty had been the handiwork of Secretary of War Elihu Root, who held that the Monroe Doctrine was inadequate to police the vital Caribbean, being actually no part of international law and a mere unilateral statement that we were opposed to European intervention here.

Argentina had long campaigned at the Pan-American conferences and outside to commit the United States to a promise that she would cease to intervene in Latin America. At the Montevideo Conference of December, 1933, Hull accepted in principle the Argentine-sponsored resolution against intervention: "No state has the right to intervene in the internal or external affairs of another." This was the core of the Convention on the Rights and Duties of States drawn up at Montevideo to restate the historic Latin-American position on such matters as recognition, equality, nonintervention, and the Drago (or Calvo) Doctrine, which outlawed the use of force by creditor nations against defaulters.

Roosevelt had had a long-abiding interest in this issue for he had written an article in 1928 attacking the single-handed armed intervention of one nation in the affairs of another; even then he had argued that hemisphere crises should be the joint concern of the entire continent. Hoover had gone far in reducing marine occupations. Now in May, 1934, a new treaty was signed with Cuba specifically

abrogating the essence of the Platt Amendment, except for a continuance of the lease of an American naval station at Guantánamo and for some coaling stations. This act, together with the Montevideo Convention of Rights and Duties of States, made it even more clear than the Clark Memorandum of 1930 had done that the United States renounced the (Theodore) Roosevelt Corollary to the Monroe Doctrine, which had proclaimed this country the policeman of the West. Cubans celebrated the abrogation of the Platt Amendment as another independence holiday and other Latin-Americans too were deeply impressed. By 1945 Latin-Americans came to understand that the United States regarded the Monroe Doctrine not simply as its own business but as a hemisphere enterprise. It became, as Roosevelt put it, the "pan-American doctrine of continental self-defense," an expression of hemisphere solidarity against Fascist aggression.

The Pan-American Crusade

Hitler's unfolding design for world conquest gave added cogency to the struggle for Latin America, rich in strategic resources. In 1936 Roosevelt himself flew to Buenos Aires for the Pan-American Conference and received an unusual ovation from the people of Argentina. His chief address stressed the "principle of interdependence" for all hemisphere countries. The member nations, however, would only agree to *consult* with each other in the event of war between American states. The most concrete achievement at Buenos Aires was the Convention for the Promotion of Inter-American Cultural Relations, which set up a system of government-supported exchanges of professors and students. As Axis propaganda made headway in Latin America, Congress decided in 1938 to create a Division of Cultural Relations, followed two years later by the appointment of Nelson Rockefeller, grandson of the noted oil king and philanthropist, as Coördinator of Inter-American Affairs. By that time there was plenty to "coördinate"—exchanges of educational films, publications, translation agreements, art exhibits, research projects, economic services, and much more, although the actual exchange of professors and students did not begin until 1940. So great was the sudden demand for teachers of Latin-American subjects and Spanish that the supply of experts proved too small. Unfortunately, this crusading zeal was

short-lived, for the decline of public interest in Latin America became marked after 1945.

To implement Pan-Americanism at a time when private American investments had greatly fallen off, the administration moved to open the coffers of federal funds. Roosevelt refused to use strong pressure to collect debts owed by Latin-American states despite the fact that more than 80 percent of their securities held here were in default. An Export-Import Bank, founded here to finance Russian-American trade (that never materialized) was converted into an economic engine of Pan-Americanism. More and more, the Bank went beyond mere aid to exporters and made direct loans to Latin-American countries for solid construction projects. For example, the Export-Import Bank loaned \$30 million to Mexico for the building of the unfinished road link of the Pan-American Highway from this country. American investments, encouraged by our government, revived in Latin-American mines, factories, oil wells, and rubber plantations. By 1939 these totaled nearly \$3 billion or 43 percent of all private investments abroad.

Argentina and Pan-Americanism

Ever since Secretary of State James G. Blaine revived modern Pan-Americanism Argentina had shown her suspicions of the Colossus of the North. As the most Europeanized country in South America, she coveted leadership of the continent and urged the superiority of a Hispanic ideal of unity based on a common Latin and Catholic heritage to a Pan-Americanism that was led by Anglo-Saxons and Protestants. Her modernist writer, Manuel Ugarte, had popularized Hispanism among Latin-American intellectuals by distorting the diplomatic aims of the United States. Argentine nationalists seemed offended by the marked cordiality between the United States and Brazil, which was regarded as "Negroid" and "mongrel" by the chauvinists of Buenos Aires. It is not surprising, therefore, that even as late as 1943 Argentina had ratified only six out of ninety Pan-American agreements since 1890.

Argentina had genuine economic grievances. Her cattlemen, the barons of the pampas who ran the necessary politics for the country, had long protested our sanitary embargo upon their justly famous

beef. However, it was not hypocrisy nor wholly the political pressures of Western cattlemen and Chicago packers that drove the United States to quarantine cattle originating in countries affected by the dread hoof-and-mouth disease. Once such a plague took hold, it might become necessary to destroy entire herds suspected of infection. However, health considerations did not explain the discriminatory attitude of Congressmen toward Argentine canned corned beef, a cheap and superior product very much desired for our armed forces.

Even more basic was the fact that Argentina's chief exports—corn, wheat, beef, and hides—competed directly with our own exports. Since Argentina needed American manufactures, and United States imports from that country were smaller, she was left with a decidedly unfavorable balance of trade. England, on the other hand, was a heavy importer and investor in Argentina; therefore, the latter allocated her limited foreign exchange to Britain at the expense of United States exporters.

In dealing with sensitive Argentina, Secretary Hull showed tact in deferring to her diplomats upon major questions such as nonintervention. Even Foreign Minister Saavedra Lamas' Anti-War Pact, which Stimson had rejected as cumbersome and unnecessary, was politely accepted by Hull and the Senate. Argentine-American relations may have profited from the fact that Saavedra Lamas received the Nobel Peace Prize for his Pact. Patiently, Hull overcame rebuffs until he succeeded in negotiating a reciprocal trade agreement with Argentina, in 1941. On that occasion, the American rates were cut 69 percent while Argentina responded with a cut of 18.2 percent upon imports from the United States. However, World War II demonstrated that Argentine nationalists were closer to the Axis than to the United States; pro-Axis sentiments in high quarters and the harboring of German spies angered the Allies.

The Good Neighbor in Mexico and the Caribbean

Mexico's social revolution of 1910 had petered out during the latter twenties, but the socialist, anticlerical, and nationalist articles of the Constitution of 1917 were far from dead letters. In 1934 President Lazaro Cárdenas ended a long breathing spell from the quarrels over church and land questions by expropriating large landed prop-

erties, especially foreign oil lands. He hoped to solve Mexico's acute land problem in favor of the landless natives and to raise the standard of living, commonly compared with that of impoverished India. Since the Mexican Treasury seemed unable to insure proper compensation, virtual confiscation for the seized lands was likely; besides, little had been actually paid upon the old land claims of Americans during the twenties. Encouraged by Cárdenas, the Mexican unions struck against the foreign-held oil companies in 1936, making rather unusual demands for a large share of managerial control which overshadowed the other demands for higher wages, shorter hours, and social benefits. The companies refused the first demand and Cárdenas replied by expropriating the oil industry.

This act of socialization affected seventeen British and American companies with investments estimated at \$450 million, of which \$200 million belonged to Americans. Britain insisted upon full compensation according to her rights under international law and broke with Mexico when her demands were denied. Much to the relief of the hard-pressed Cárdenas, the United States made no formal protest and refused to use the economic pressures available to make the radical regime come to terms. There was no advantage in forcing the overthrow of the Cárdenas government in favor of a native Fascist group. Mexico was permitted to scale down valuations drastically for the plantation and oil properties. In 1940-1941 formal settlements were arranged which allowed American oil men about \$32.5 million instead of the \$200 million in the original valuation. At the same time, the United States strengthened Mexico's shaky finances (and the regime) by paying high prices for newly mined Mexican silver and by issuing highway construction credits through the Export-Import Bank.

American Catholics, especially the Knights of Columbus, protested that Cárdenas and the state governors were persecuting religion. Socialist education in the schools and the expulsion of churchmen in a Catholic country aroused the criticism of the Catholic press. The religious and economic pendulum began to swing back to moderate policies by the time the war began, a situation promoted by the skillful tactics of Roosevelt, Hull, and Ambassador Josephus Daniels (Wilson's Secretary of the Navy). When the United States entered World War II, Mexico declared that the enemies of her northern

neighbor were her enemies and gave valuable aid in labor and materials to the United States. Even the "7000-suit" riot of 1913 against Mexicans in Los Angeles did not deflect the course of Mexican-American friendship. The situation contrasted greatly with the tense neutrality between Wilson and Carranza in 1917-1918.

Latin America was impressed by the complete evacuation of American maines from Haiti on August 15, 1934, in accordance with the promise made by the Hoover administration and accelerated by Roosevelt. At the request of President Sténio Vincent, the United States agreed to return to Haiti the control of her financial system, hitherto administered by the National City Bank of New York. Roosevelt gave emphasis to his policy toward her by visiting the republic in July, 1934. Another opportunity to put the good neighbor policy into effect came in October, 1937, when many hundreds of impoverished Haitian squatters in the Dominican Republic were killed by the Dominicans. The liberal press in the United States held Trujillo, the dictator of the republic, responsible for the massacre. The ensuing dispute between Haiti and the Dominican Republic was finally terminated after both sides agreed to the mediation of the United States, Mexico, and Cuba.

Disturbed conditions in Puerto Rico called for considerable good neighborliness on our part. The depression had been unusually severe on the overcrowded little island. Nationalists drilled in Fascist-style black shirts; they sabotaged elections and, during 1935-1937, resorted to outright terrorism. An American police chief was assassinated, and a clash between native police and Nationalists at Ponce on March 21, 1937, ended with nineteen dead and a hundred wounded. The Roosevelt administration ordered that the Nationalists be punished, and Senators introduced an independence bill to remind the Puerto Ricans that separation was economic suicide.

More important were the investigations undertaken by the Puerto Rican Policy Commission and the efforts of the new Reconstruction Administration to promote coöperative experiments in small modern farms and subsistence homesteads, rural electrification, and the development of local industries. However, jealous protectionists in Congress opposed any far-reaching program of industrialization for Puerto Rico; churchmen fought against the dissemination of information on birth control, although the island's population of 1,800,-

ooo had doubled since 1898; and our large sugar interests continued to hold huge tracts of the best farm lands.

Canada and the Monroe Doctrine

Canada, despite her imperial connections, was expected to play a large part in hemisphere affairs, although not actually a member of the Pan American Union. She had close trade ties with the United States, and it was hoped that she would eventually agree to the establishment of an air-mail route and the construction of a coastal highway between the United States and Alaska. Most important in the late thirties were the long-pending negotiations over the proposed deepening of the St. Lawrence–Great Lakes waterway, which would make such inland cities as Chicago important seaports. Railroad and power companies and the Atlantic coastal cities on both sides of the border feared this threatened competition; hence the sustained efforts of both Hoover and Roosevelt to secure adherence to the waterway pact were frustrated by the Senate. The Roosevelt administration drafted a new treaty in May, 1938, which provided for an elaborate power and navigation program to be undertaken largely at our expense. Despite the importance of defense at that time, the power interests were determined to resist any encroachment of public ownership, and local politicians across the border were also unfavorable to the suggested program.

The increasing probability that Great Britain would fight Hitler put Canada in a difficult position as far as hemisphere defense was concerned. French-Canadian isolationists had succeeded in keeping the Ottawa government from making actual commitments regarding military aid to the mother country in case of war, but historic ties reasserted themselves during England's effort to rearm in the emergency. As a result, British student pilots were soon being sent to Canada for training and by 1938 Canadian factories were geared to manufacture armament for overseas. On August 18, 1938, President Roosevelt called the attention of the world to the military relations between his country and Canada when he went to Ontario to receive an honorary degree of doctor of laws from Queens University. "I give to you assurance," he said with deliberation, "that the people of the United States will not stand idly by if domination of Canadian soil is threatened by any other empire." He told his press conference

the next day that the Monroe Doctrine had never excluded Canada. These statements were received enthusiastically by the Canadian press, for the danger of invasion from across the Atlantic had ceased to be fantastic.

Isolationism and Neutrality

However willing Congress might be to support hemisphere solidarity, both House and Senate viewed intimacy with any European country with suspicion. Roosevelt found it politic to consider our membership in the League of Nations a closed issue, although he followed Hoover's policy of informal coöperation. His plea to the Senate in 1935 in favor of membership in the World Court was rebuffed, largely because of the radio campaign waged by Father Coughlin, the Anglophobic isolationist. Whatever leniency the administration might have shown the hard-pressed European nations in regard to war-debt revision was blocked by Senator Hiram Johnson of California and his congressional supporters. The Johnson Act, passed in 1934 after wholesale defaults on war debts, outlawed all future securities issued by governments in default to the United States. Public opinion in the United States warmed toward "little Finland," the only debtor still in good standing. However, few realized that her ability to pay in gold was due to her unusually favorable balance of trade.

Congress elbowed the President aside in the vital field of neutrality legislation. Japan's invasion of Manchuria and northern China and the bellicose threats of Hitler and Mussolini during the early years of the New Deal brought closer the possibility of our involvement in a second world war. Popular interest was aroused by "Arms and the Men," published in *Fortune* in March, 1934; this exposé stressed the profits and international ramifications of the munitions industry as factors in the creation of a war spirit. In April a Senate committee headed by Senator Gerald P. Nye of North Dakota began an investigation of the industry. Like the shipping investigation during Hoover's administration, the munitions investigation revealed the various devices employed by arms manufacturers—the high-pressure sales methods, the international lobbying against disarmament conferences, the outright bribery, and the synthetic patriotism. These dis-

closures were brought to the attention of the public by such sensational books as George Seldes' *Iron, Blood, and Profits* and H. C. Engelbrecht and F. C. Hanighen's *Merchants of Death*.

Senator Nye, untrained in the use of historical documents, drew extremely sinister inferences regarding our country's economic stake in an Allied victory during 1914-1917. International bankers like Morgan, as well as the munitions makers, were given a villain's role, and President Wilson was pictured as a man whom the economic pressure around him had made thoroughly unneutral. The inference was obvious to both Congress and the people—President Roosevelt, too, would have to be restrained when the question of future neutrality legislation arose. The efficacy of the Nye revelations was made clear by the Gallup poll question in April, 1937: "Do you think it was a mistake for the United States to have entered the World War?" which 70 percent of those questioned answered affirmatively. In a subsequent poll on the causes of our entering that war, 34 percent believed that we were "the victim of propaganda and selfish interests," and only 26 percent were satisfied that "America had a just and unselfish cause."

Congressional anti-war ideas inspired scores of bills. The State Department was particularly concerned when Representative Louis Ludlow of Indiana proposed that, except in case of actual invasion, a constitutional amendment prohibit Congress from declaring war until a national referendum had been held. Among Ludlow's supporters were the isolationist Senators Nye, La Follette, Bennett Clark, and Burton K. Wheeler, as well as Representative Hamilton Fish, who was then the ranking Republican member of the House Committee on Foreign Affairs. His proposal was also favorably received by the people; according to a Gallup poll in October, 1937, public opinion was divided 73 to 27 in favor of it. Former Secretary of State Stimson came to the rescue of the administration by pointing out the danger of holding a referendum on war in the midst of an international crisis; he pointed out that, in effect, such an amendment would abrogate the Monroe Doctrine and immobilize our Navy should danger threaten. Aided by such internationally-minded Republicans, the administration succeeded in mustering sufficient strength to shelve the proposal. As far as munitions were concerned, Roosevelt,

who favored international control over the industry, secured the Senate's belated approval of the Geneva Convention of 1925 for the suppression of international trade in arms and ammunition.

Action on neutrality legislation was finally taken in August, 1935, after Mussolini's invasion of Ethiopia threatened to bring on a world war. A joint resolution proposed by administration leaders gave the President discretionary power, in the event of war outside the United States, to impose an embargo on the goods of one or all of the belligerents. But Nye and his followers threatened a Senate filibuster to compel the passage of a neutrality bill that would automatically prohibit the shipment of arms to any belligerent. The ensuing Neutrality Act was a compromise measure that made the embargo mandatory only when the President recognized that a state of war existed. He had no power to discriminate between aggressors or victims, a limitation which Roosevelt feared would encourage aggression and hence endanger peace. He could, however, prohibit Americans from traveling on belligerent vessels except at their own risk. Hoping that a better measure might be enacted later, the administration gave way but succeeded in limiting the life of the act to February 29, 1936. Roosevelt and Hull extended the scope of this law when they urgently requested American oil companies to discontinue shipments to belligerents, a move calculated to restrain Italy in Ethiopia.

In view of Nye's charge that unneutrality was responsible for our entering the First World War and in the desperate hope of averting war, Congress scrapped the traditional right, long protected by international law, of neutral vessels to freedom on the high seas, subject only to such accepted restraints as "visit and search" by belligerents. In 1936 it also forbade loans to belligerents.

Civil war suddenly broke out in Spain in the summer of 1936, when the Fascist-supported Franco attacked the leftist government at Madrid. Italy and Germany sent considerable "volunteer" aid to Franco, but Great Britain and France, unprepared for a major war, worked desperately to formulate a common nonintervention policy; thus Russia was left to assist the Loyalists alone. Since Congress was not in session and the Neutrality Act was silent on civil wars, Roosevelt adopted the Anglo-French policy and effectively discouraged the sale of arms to either side, despite the rights of the Madrid government under international law and our commercial treaty with Spain.

Hull defended this moral embargo as the sole alternative to war with the Axis powers, a war that would have borne heavily on England and France, which were closest to the Spanish scene.

Congress endorsed the President's action when it convened in January, 1937, and extended the arms embargo to Spain. The liberal press agitated for the raising of the embargo, which they maintained was one-sided because Franco could still rely on Fascist aid. The Catholic press, on the other hand, fearing that the Loyalists, who were supported by Soviet Russia as well as by volunteers from the democratic nations, would establish communism and destroy the church, pleaded for complete neutrality.

On May 1, 1937, Congress passed a "permanent" Neutrality Act to replace the 1935 law. The new legislation embargoed the export of arms to belligerents when the President proclaimed that a state of civil or international war existed. It prohibited all loans and credits to either side and banned all ordinary travel by American citizens on the ships of warring countries. Merchant vessels must not be armed; this was an isolationist triumph in reversing Wilson's order for arming them in 1917. If the President judged it necessary, he could bar raw materials destined for a belligerent from being carried in American ships. However, belligerents could obtain them from us on a "cash and carry" basis, the American shipper surrendering title to the cargo before it left our shores; this would eliminate "incidents" on the high seas that might lead to war. But the President was still denied the crucial power of distinguishing between aggressor and victim in applying these measures. Isolationists were dissatisfied with the "cash and carry" clause because it would benefit the warring nation capable of controlling the seas—in all probability, Great Britain.

Japan Closes the Open Door

The value of the automatic arms embargo to an aggressor was only too patent in the Far East, where the Japanese drive on northern China and Manchuria had continued intermittently since the Mukden incident in 1931. Hull followed the Stimson Doctrine of not recognizing territorial changes made in violation of international law and cooperated with the League regarding the Far East. While the Japanese carved out an exclusive continental market for their goods, largely at American, British, and Chinese expense, the Reconstruc-

tion Finance Corporation made loans to China, and American aviation firms helped to build the nucleus of her air strength.

Tokyo's diplomats struck back at us on April 17, 1934, by proclaiming Japan's right to act alone for "peace and order in Eastern Asia" and denouncing the foreign powers who were building up the military strength of China "even in the name of technical and financial assistance." This repudiation of the open door in favor of Japanese hegemony in the Far East brought a blunt reminder from Hull: "Treaties can lawfully be modified or terminated only by processes prescribed or recognized or agreed upon by the parties to them." Disregarding American, British, and Dutch interests, Japan enacted a sweeping law on oil monopoly in 1934 which compelled the oil companies of these three nations to relinquish a profitable field.

The disarmament settlement of the Washington Conference of 1922 assumed new importance after 1931 as the Japanese conquests imperiled American interests in the Far East. PWA funds had been voted to replace obsolete naval ships in 1933, and the Vinson Act, passed in March, 1934, authorized the expansion of the Navy up to treaty strength by 1942. Since no funds for immediate construction were actually appropriated by Congress, this law was undoubtedly intended merely as a warning to Japan.

The Nipponese, however, were undeterred in their campaign to achieve parity in capital ships instead of the ignominious 5:5:3 of the Washington Treaty. As Hiroshi Saito, Japan's witty ambassador, observed, this ratio sounded like "Rolls-Royce—Rolls-Royce—Ford" to his countrymen. Britain and the United States refused to yield, for parity in effect would give Japan unchallenged supremacy in the Pacific. Therefore, on December 29, 1934, Japan, invoking the privilege of cancellation by advance notice, repudiated the naval treaty, which would thus lapse two years later. That same day the Navy Department announced large scale maneuvers from the Aleutians to the Midway Islands, a coincidence which Tokyo found disturbing and to which she replied with similar maneuvers close to American possessions. These developments and Hitler's withdrawal from the Geneva Conference and the League insured the utter failure of the London Naval Conference in 1935. At that conference Japan repeated her demand for naval equality with no result and then bolted the meeting. The United States, Britain, France, and Italy agreed to

the short-lived London Naval Treaty of 1936, which was intended to prevent an arms race; but this was futile. The disarmament era was over.

By the spring of 1935 the Japanese were busily detaching China's five northern provinces in the so-called "autonomy movement," and on December 5 our State Department and the British Foreign Office simultaneously warned Japan that they were "closely observing" the political changes in North China and were reserving all treaty rights. After a brief period for consolidating her gains, Japan embarked on a major war against China in July, 1937, while Europe was preoccupied by the civil war in Spain. Nipponese armies, the air force in particular, shocked the world by inflicting heavy losses on the civilian populations of Shanghai, Nanking, Canton, and Hankow. Several Americans were killed and others injured. Secretary Hull and most European nations protested the indiscriminate air bombardment.

Convinced that we were courting war for the sake of profit-seeking interests, many isolationists and a large section of the people demanded the immediate withdrawal of our soldiers and civilians from China. According to them, the only lesson to be learned from World War I was that peace can be maintained during a war crisis by the correctly timed surrender of rights established under international law. Administration supporters followed Senator Key Pittman, chairman of the Foreign Relations Committee, in characterizing this demand as "cowardly and unpatriotic"; they implied that it was ineffective as well. Secretary Hull denied that our policy was based solely on economic motives. Our Chinese investments and properties were substantial—they represented approximately a quarter of a billion dollars—but they were far less than our holdings in any of several regions of Latin America and Europe. "There is a broader and much more fundamental interest," Hull said, "which is that orderly processes in international relationships be maintained." Inasmuch as Japan had not declared war on China, Roosevelt avoided imposing a general arms embargo, which would have hurt China, by not formally recognizing a state of war, but he barred American merchant ships from Chinese waters. However, our industrialists continued to supply Japan outside the war area.

Simultaneously with the League's renewed efforts to halt the Japanese war lords, Roosevelt delivered one of the most significant

speeches of his career in Chicago on October 5, 1937. Referring to the spread of international lawlessness in the Far East and Spain, he called for "positive endeavors" by peace-loving nations to oppose those who violated treaties and the instincts of humanity. "When an epidemic of physical disease starts to spread," he observed, "the community approves and joins in a quarantine of the patients in order to protect the health of the community against the spread of the disease." This idea of quarantining aggressors in a program of collective security was emphasized by the press. "If those things [aggressions] come to pass in other parts of the world," he went on, "let no one imagine that America will escape, that America may expect mercy, that this Western Hemisphere will not be attacked and that it will continue tranquilly and peacefully to carry on the ethics and the arts of civilization."

But, as an informal newspaper poll revealed, Congress was overwhelmingly opposed to League sanctions against the aggressor. Dr. Gallup's survey in October showed public opinion to be divided 63 to 37 percent against boycotting Japan. Nevertheless, private boycotts were imposed and anti-Japanese sentiment increased. Furthermore, trade friction between the two countries had become serious by this time. Successful Japanese competition with the United States for new markets, especially during 1933-1936, frightened many industrialists, who attributed it to that nation's unfair trade practices. The island empire, actually, had rationalized its industrial system and its trade was profiting from its extremely low wage scale.

On December 12, 1937, Americans were shocked by the bombing and sinking of the Navy gunboat *Panay* near Nanking on the Yangtze River by Japanese planes; two crew members were killed and thirty others wounded. Another bombing attack in the afternoon on three Standard Oil tankers resulted in the death of one of the captains. Several British ships were also attacked. Hull issued a severe protest in which he said that he had received reliable information from State Department sources that the attack on the *Panay* was deliberate. Tokyo, evidently anxious to avoid a clash with the United States at this time, quickly apologized, promised to discipline the air force commander responsible, and arranged for full indemnities covering property and personal damages. Even so, Japanese-American relations became definitely worse as the result of the *Panay* incident.

During 1938, when Hitler was absorbing Austria and the Sudetenland and was defying the once-victorious Allies with impunity, Japan took fewer pains to prevent incidents involving both Britons and Americans. United States Ambassador Grew made repeated representations at Tokyo—as when Japanese soldiers illegally entered American buildings in China to remove Chinese employees and goods, when Embassy officials were slapped by a Japanese soldier during an investigation, and when property belonging to American missions was looted. Japan made it clear that she regarded the open door as an antiquated policy which had been supplanted by the birth of her New Order in East Asia.

As a result, 1938 was a year of unprecedented expansion for the United States Navy. "A Navy second to none!" became the popular watchword. Japan's deliberate wall of secrecy around her naval program inspired wild speculations as to her actual strength and encouraged generous armament appropriations by Congress; these began in May, 1938, with a billion-dollar Navy bill to build a two-ocean Navy. But Congress, learing to antagonize Japan, rejected even a minor appropriation for the defense of the strategic but distant island of Guam, and refused to be moved by the Navy experts who maintained that an advance fleet base would make us virtually immune to any Japanese attack upon the Philippines.

The desire to avoid war with Japan as well as the pressure exerted by domestic sugar interests hastened the movement to free the Philippines. However, the legislature of the Islands rejected the Hare-Hawes-Cutting Act of January, 1933, which Congress had passed over Hoover's veto. This act terminated the favored position of the Islands in our tariff system, restricted Philippine immigration, and demanded extensive military and naval reservations for the United States. The slightly more liberal Tydings-McDuffie Act, passed on March 24, 1934, was made acceptable to the Filipinos only by Roosevelt's personal assurance: "Where imperfections or inequalities exist, I am confident that both can be corrected after proper hearing and in fairness to both peoples." A transitional government for the new Commonwealth of the Philippines was organized by the Filipinos, but certain powers over external affairs were to be exercised by the United States until 1946, when complete independence would be realized. Unfortunately, agricultural lobbies frustrated the efforts of

administration leaders to liberalize the economic provisions of the act so that the Islands would have a generous period in which to find new markets after 1946.

The Recognition of Russia

Japan's expansionism and Hitler's designs made Russia as well as the United States apprehensive, but both were unable to coöperate through regular diplomatic channels because of the nonrecognition policy laid down by Wilson. The Russians irritated the State Department by spreading Communist propaganda for world revolution, jailing foreigners, refusing to pay the debts of the Czar, and denying religious freedom to visiting Americans as well as natives. By 1933 the Russians were ready to make some concessions in return for recognition because they expected to be attacked by Japan and they needed American credits or loans. On September 21, 1933, Hull declared himself in a letter to Roosevelt to favor recognition. He said that the Russians "are apparently convinced that recognition by the United States would be a factor in preventing a Japanese attack on the Maritime Provinces. The Soviet Government also appears to believe that recognition by the United States would open the private banking resources of the United States to the Soviet Government and facilitate the obtaining of credits in other countries. Finally, there is no question but that the Soviet authorities realize that recognition would strengthen the prestige of the Soviet Government not only abroad, but also at home, where it is faced with tremendous difficulties in carrying out its industrial and agricultural programs."

Hull believed that the United States would gain even more than Russia from restoring diplomatic relations. For one thing, this country had few sources of information in the USSR while the latter had eyes and ears in the American Communist party, the Information Bureau at Washington, and the Amtorg trading office in New York. Secondly, American businessmen and travelers had no diplomatic protection in Russia. Finally, said Hull, a serious international crisis lay ahead and "Russia could be a great help in stabilizing this situation." Roosevelt promptly agreed and sent a direct letter to President Kalinin of the USSR inviting him to open discussions upon recognition and other outstanding issues.

The formal recognition process was completed through an ex-

change of letters between Maxim Litvinov, Commissar for Foreign Affairs, and Roosevelt. Litvinov signed a promise that the USSR would "refrain from interfering in any manner in the internal affairs of the United States" and would not promote propaganda or activities for the forcible overthrow of the political or social order of this country. The commitment had been purposely detailed so that there would be no misunderstanding. Recognition was thereupon extended on November 16, 1933, and William C. Bullitt, then a strong supporter of Russo-American amity, became an ambassador to the Kremlin.

Roosevelt was ready to extend credits to the USSR and sponsored an Export-Import Bank with a capital of \$11 million to finance Russo-American trade and loans. However, Litvinov declared emphatically that, while his government was willing to pay the Czarist debt despite the bitter opposition of Communists to such a concession, there was no chance that the USSR would pay the twenty-year-old compound interest in addition. Thereupon credits were withheld. Hull tried to improve Russian-American relations in 1935 by extending to Russia the full benefits of reciprocal trade reductions granted other countries and some increase in trade took place.

That year, however—so Hull's *Memoirs* implies—the State Department realized for the first time that Litvinov's promise to halt Communist propaganda was based on the fiction that the Soviet government had nothing to do with the Communist International and therefore had no responsibility for its activities. "We were now back almost to where we had started," wrote Hull in later years. The Soviet-Nazi Pact of 1939 and the Russian attack on Finland that year were to worsen relations, but a temporary cement was found in the wartime American alliance with the USSR and the generous lend-lease aid given that nation.

The March of European Fascism

While Japanese aggression triumphed in eastern Asia, Fascist aggression was thriving in Germany and Italy. Far surpassing Mussolini and his pioneer fascism, which had netted an African empire for King Victor Emmanuel II, Adolf Hitler brought his National Socialists to power in 1933 and quickly transformed the democratic Weimar Republic into a totalitarian instrument for world conquest. La-

bor unions throughout the world looked on with indignation as the proudest trade-union movement in Europe received its deathblow. Liberals saw the collapse of all the liberties that had been so painfully won in the course of centuries, and humanitarians were appalled by the most brutal persecution of Jews since the Czarist pogroms. The fear of Nazi Germany helped to transform the disarmament movement into a desperate race to rearm.

Hitler's intention of going far beyond scrapping the Treaty of Versailles and of achieving arms equality was revealed by his intrigues in Austria, which included the murder of Chancellor Dollfuss and ended in her complete absorption in March, 1938. By September of that year, Hitler was invoking the Wilsonian right of self-determination on behalf of the German population in the Sudetenland, a section of democratic Czechoslovakia. Britain and France at first seemed ready to help Czechoslovakia resist these demands, even at the cost of war.

On September 26 President Roosevelt sent each nation involved a plea for peace. "I earnestly repeat," he said, "that so long as negotiations continue, differences may be reconciled." Hitler's reply placed the full responsibility for peace on Czechoslovakia, derided her as an abnormality created by the "dictates of 1919," and reiterated his determination to protect the "oppressed" Sudetenland Germans. Roosevelt answered Hitler on September 27, pointing out that war would mean "the mutilation and death of millions of citizens" and that the World War had shown that force had failed for victors and vanquished alike. But Prime Minister Neville Chamberlain, faced with England's unpreparedness, flew to Munich on September 29 for conferences which resulted in the surrender of the Sudetenland to Hitler in return for his supposed guarantee of the integrity of the remainder of Czechoslovakia. On his return Chamberlain naïvely told his relieved countrymen that he brought "peace in our time," but in March, 1939, Hitler absorbed the balance of Czechoslovakia.

Once again flouting public opinion, the Brown Shirts carried out a brutal pogrom against the Jews on November 9, 1938, in retaliation for the shooting of a German official in Paris by a grief-stricken Jewish boy who sought thus to avenge the sufferings of his parents at the hands of the Nazis. Innumerable Jews in Germany were arrested and tortured by storm troopers, their shops looted, and their synagogues

burned, and all the German Jews were saddled with a fine of one billion marks.

Public opinion throughout the world was outraged as it had not been since the Kishinev pogrom of Czarist times. Americans from the President down publicly expressed their revulsion. President Green of the American Federation of Labor urged a boycott of German goods. Roosevelt recalled Ambassador Hugh Wilson, ostensibly for a report on the recent anti-Semitic campaign, whereupon Hitler promptly ordered his ambassador to return to Germany. Secretary of the Interior Ickes, who had recently prohibited the sale to Germany of any of our helium, a requisite for her dirigibles, openly denounced Hitler as a "brutal dictator." Earlier, in a speech in Cleveland, Ickes had criticized Henry Ford and Charles A. Lindbergh for accepting the German eagle which Hitler had awarded them. "How can any American," he asked, "accept a decoration at the hand of a brutal dictator who, with that same hand, is robbing and torturing thousands of fellow human beings?" The Nazis, utterly unable to comprehend outside interference in "purely domestic questions," sought a retraction of Ickes' remark but were rebuffed by the State Department.

Hitler's War

By January, 1939, according to the Gallup poll, only 43 percent of the people questioned believed that the United States could stay out of another world war, as compared to 62 percent who had thought so two years previously. Munich had dispelled every illusion of security. Although the extent of Germany's rearmament was not known, popular estimates claimed that the Nazis had ten thousand first-line planes and were building heavy warships. In his annual message in January, 1939, the President hinted at effective coöperation between the United States and the nations that resisted aggression when he said, "There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people." He was successful in securing a 200 percent increase in our Air Force, and in March, 1939, the Navy approved the construction of two 45,000-ton battleships. Britain had signed her first contract for American-built planes in 1938, and a French air mission had obtained the

President's approval for the purchase of new models of our military planes. From this it became clear that we would help these two nations strengthen themselves against the Nazis.

Hitler completed another spectacular coup on March 15, 1939, when he absorbed Czechoslovakia by occupying Bohemia and Moravia, at the same time encouraging Hungary to seize the Carpatho-Ukraine. Once again the State Department issued a futile protest against "wanton lawlessness" and "arbitrary force." Nazi troops marched into Lithuania on March 22 and took possession of Memel, a section largely settled by Germans. Mussolini followed this example by ordering the invasion of Albania on April 7, thus adding another country to Victor Emmanuel's growing empire. On April 14, in a forceful message to the Fascist dictators, President Roosevelt asked for a nonaggression guarantee covering the territory and possessions of the remaining free countries of Europe and the Near East. This message was never answered. Two weeks later Britain broke all national precedents by ordering conscription, even though she was still at peace; and on May 7 Germany and Italy announced a formal military alliance. The war clouds were gathering.

In the face of an imminent world war, the administration forces in Congress attempted to put through a new neutrality law which would extend the "cash and carry" principle to all commodities and thus remove the arms embargo which was detrimental to the partly armed British and French. This meant a partial reversion to the more traditional practices of international law. But the bill failed to secure passage by a close margin, largely because of the isolationists, led by Borah and Johnson, who distrusted Roosevelt's interventionism. Consequently, when the 1937 Neutrality Act expired on May 1, it was renewed without any "cash and carry" provision.

By August, Hitler had turned from the now-defunct Czechoslovakia to Poland, from whom he demanded Danzig and the Corridor, which Germany had lost by the Treaty of Versailles. This time the Anglo-French diplomats, having lost confidence in the Führer's promises, were prepared to support Poland even to the extent of declaring war. Meanwhile the British were negotiating a military alliance with Russia, who was already allied with France and seemed a vigorous supporter of the League of Nations. On August 22, in the

midst of these negotiations, the Soviet government suddenly announced the conclusion of a nonaggression pact with Germany. This startling pact enabled Hitler to attack Poland and to contemplate war with England and France now that he felt assured of benevolent neutrality on the Russian border. At the same time, Hitler's ally, Japan, was able to transfer some of her Manchurian forces to southeast Asia where the rich Dutch, British, and French colonial empires awaited her.

Roosevelt again appealed to Germany and Poland for peace, urging direct negotiations, mediation, or arbitration as alternate means of agreement, and offering our cooperation in solving the problems that now threatened a world catastrophe. As expected, the German reply placed complete responsibility on Poland and Britain. Not accustomed to prolonged diplomatic procedures, Hitler on September 1, 1939, launched a lightning attack on Poland without the formality of declaring war. Great Britain and France fulfilled their pledge of assistance by declaring war on Germany two days later. That evening, September 3, Roosevelt in a radio address announced his forthcoming neutrality proclamation but warned that events abroad might not leave the United States untouched. "This nation," he said, with an eye on Wilson's experience, "will remain a neutral nation, but I cannot ask that every American remain neutral in thought as well. . . . Even a neutral cannot be asked to close his mind or his conscience. . . . As long as it remains within my power to prevent, there will be no black-out of peace in the United States."

Aiding the Allies "Short of War"

During the next few weeks the Gallup poll asked: "Do you think the United States should do everything possible to help England and France win the war—short of going to war ourselves?" Sixty-two percent responded affirmatively. Eighty-four percent wanted the Allies to win and 2 percent desired a German victory, but only 5 percent responded in favor of an immediate declaration of war which would require sending our soldiers and sailors abroad. Should Germany appear to be winning, 29 percent indicated that the United States should declare war. Interestingly enough in view of the isolationist trend, 53 percent favored our participation in a movement to estab-

lish an international police force to maintain world peace. On the whole, the poll corresponded with the policies advocated by the administration. Few Americans were neutral in thought.

Roosevelt called Congress into extraordinary session on September 21, 1939, to ask for the repeal of the embargo upon munitions under the Neutrality Act of 1937. He pointed out that the arms embargo "had the effect of putting land powers on the same footing as naval powers, so far as sea-borne commerce was concerned." Hitler was the real beneficiary of this kind of neutrality. Those familiar with history knew that Jefferson's embargo had failed to deter aggressors or to keep the United States very long out of the Napoleonic Wars. The isolationists, who knew only their version of the history of neutrality in 1916-1917, attacked the repeal proposal and delayed action for six weeks; a new argument was that it was unneutral to change such international rules in time of war.

This time Congress was much more inclined to return to some of the basic rights of the United States under international law. On November 4 Congress repealed the arms embargo and permitted belligerents to remove the munitions from American ports at their own risk and in their own ships, taking title to the goods in advance—the "cash and carry" idea now covered most goods. American citizens, vessels, and planes were barred from zones designated as combat areas by the President. Britain and France proved, as expected, the immediate beneficiaries of the new law. Between September, 1939, and August, 1940, the British Empire absorbed 44.3 percent of our exports, or a total of \$1.7 billion. During the critical summer of 1940 following the fall of France, two-thirds of the total value of American exports, mostly war materials, went to Britain.

On September 23 a Pan-American Conference of Foreign Ministers met at Panama and issued the Declaration of Panama, which established a three-hundred-mile "safety belt" along the coasts of this hemisphere—a radical innovation in international law—but made no provision for enforcement. The ineffectiveness of this measure became apparent when the *Graf Spee* was sunk in an Anglo-German naval battle near the port of Montevideo. More effective was the Inter-American Financial and Economic Advisory Committee, which was created to help adjust the nations of this hemisphere to a war economy.

As in the First World War, neither belligerent was overmeticulous in observing the rights of neutrals. The British set up a rigorous blockade of Germany and compelled neutrals to stop at specified control bases to be inspected for contraband. Britain's practice of black-listing business firms that dealt with the enemy was revived from World War I. Far more revolting to public opinion were the tactics of German submarines, which utterly disregarded the provisions of the London Naval Treaty of 1930 forbidding the sinking of merchant ships unless they resisted their captors. At the outbreak of war the British steamship *Athenia*, half of whose fourteen hundred passengers were Americans, was sunk with a loss of thirty Americans. Nazi propagandists claimed that this attack was ordered by the British Admiralty under Winston Churchill to involve us in the war. During November the Nazis counterblockaded Britain by means of magnetic mines which were extremely effective—for a short time. The British retaliated by seizing all German exports.

Although the war on the western front remained quiescent until the spring of 1940, Russia opened a new front by invading Finland on November 30, 1939. Various alleged frontier incidents were given as the cause of this move, but Russia was apparently motivated primarily by the need of strategic defenses for Leningrad, which would be exposed in the event of a Nazi attack. American opinion was deeply sympathetic to Finland. At the recommendation of the President, Congress empowered the Export-Import Bank to lend Finland \$20 million and permitted her to defer her next war-debt payment to us. The Navy released to the Finns forty-four planes that were nearing completion, and many of our engineers were withdrawn from Russia. The Soviet-Finnish war ended on March 12, 1940, with Finland's cession of the Karelian Isthmus, Viborg, and the Mannerheim Line to the Soviet Union.

During April and May the Nazis suddenly revived their dormant campaign in the west by invading Denmark, Norway, Belgium, the Netherlands, and Luxembourg. Roosevelt immediately ordered that the financial assets of these nations in the United States be frozen in order to prevent their funds from getting into German hands. The Nazis were thus deprived of access to \$1.6 billion belonging to Holland, Belgium's \$760 million, Norwegian and Danish credits of \$267 million, and, when France fell in June, 1940, her \$1.5 billion. By

October, 1940, over \$4.2 billion, which could have served the Nazis handsomely, had been impounded in the United States.

Preparations for the Inevitable

Following the startling German successes on the western front, the President asked Congress on May 16 for legislation that would provide for a huge preparedness program to cope with the extraordinary progress in air power. "So-called impregnable fortifications no longer exist," he said. An effective defense required equipment which could attack the aggressor before he could establish strong bases "within the territory of American vital interests." Accordingly, Roosevelt stressed the need of increasing our plane production capacity to at least fifty thousand a year. Congress appropriated the unprecedented sum of \$13 billion for peacetime defense for the fiscal year 1940-1941.

To help readjust the nation's economy to the ambitious goals of defense, an Advisory Commission to the Council of National Defense, similar to Wilson's defense agency early in World War I, was set up on May 28; its members included leading industrialists and representatives of labor and consumers. Army and Navy contracts involving \$825 million were awarded after the fall of France in June; a month later, similar contracts amounting to \$1137 million were signed. Automobile plants like Ford, Studebaker, Packard, and General Motors began the large-scale production of airplane engines; Chrysler began to turn out tanks; and other industries undertook the difficult process of partial conversion to war production. At the same time, the desperate needs of the surviving Allies were kept uppermost. We succeeded in sending large surplus stocks of war goods after the British had evacuated Dunkirk, where they had been forced to abandon huge quantities of equipment. During the final months of 1940, Britain needed aid desperately to stave off annihilation by Goering's *Luftwaffe*.

Hitler's conquest of Europe immediately made apparent the possibility that the territories of some of the conquered nations in this hemisphere might be used as centers of Nazi penetration. When Denmark fell in April, Roosevelt entered into an agreement with the Danish minister to provision Greenland; later he established close military and political ties with this strategic island, which lies in the

path of any potential air invasion of the United States. Allied troop landings in the Dutch West Indies were permitted when the Nazis conquered Holland, despite this apparent violation of the "no transfer" principle of the Monroe Doctrine. However, the State Department warned the belligerents on June 18, when the French colonies were cast adrift by Weygand's defeat, that it would not allow "any attempt to transfer any geographic region of the Western Hemisphere from one non-American power to another non-American power." Discussion of this problem at the Havana Conference of Foreign Ministers in July led to an agreement to set up provisional administrations for the colonies of defeated European nations in this hemisphere. Here was a practical "continentalization of the Monroe Doctrine."

While France was making her last stand, Italy declared war on her on June 10, 1940, for frankly avowed territorial gains. "The hand that held the dagger has stuck it into the back of its neighbor," Roosevelt charged in an address at the University of Virginia. Premier Reynaud's tragic appeal to him for "clouds of war planes" to save France and the democracies from extinction brought his emphatic assurance of redoubled efforts to supply the Allies. But other French leaders like the aged Marshal Pétain, skeptical of receiving effective resistance from us, surrendered to Hitler rather than continue the devastating war from North Africa. France's salvation was left in the hands of the stubborn followers of De Gaulle, who fought on from British and French colonial bases.

At this critical moment, with Britain under a crushing aerial siege and her fleet battling single-handedly to prevent being defeated by a concentrated submarine attack, timely assistance came from us in the form of fifty overage destroyers that were reconditioned and turned over to England in September. In return, we gained a vital adjunct to hemisphere defense by receiving ninety-nine-year leases on valuable air and naval bases in eight British colonies ranging from Newfoundland to British Guiana. Roosevelt described this to Congress as "the most important action in the reinforcement of our national defense that has been taken since the Louisiana Purchase." In accordance with the liberalized conception of the Monroe Doctrine, the facilities of these bases were made available to all of Latin America.

Simultaneously, Congress took the unprecedented step of ordering

peacetime conscription when it passed the Selective Training and Service Act on September 16, 1910. The selective service system, as envisioned by the General Staff, would provide an army of several millions and thus assure the defense of the entire Western Hemisphere. In accordance with this act, sixteen million men between twenty-one and thirty-five registered for one year of service on October 16, and within a year the Army increased in size from 265,000 to 1,400,000 men.

Since Japan's intimacy with the Axis was already a recognized fact, the pact she signed with Germany and Italy on September 27 came as no surprise; it provided that aid would be forthcoming if any member was attacked by a power not yet engaged in the European or Asiatic war. This was obviously aimed at the United States. The following month Greece was invaded by Italy and was promised aid from the United States. Embattled China was negotiating for a credit of \$100 million from us.

England's resistance was weakened financially by dwindling dollar assets and by the fact that she could not borrow directly from the United States because this was forbidden by the Johnson Act and the Neutrality Act of 1939. Roosevelt hit on the idea of simply lending war materials. In a radio address on December 29, the President warned that if Great Britain went down, the Axis would rule supreme on all the other continents and that life in the United States would be lived at the point of a gun. "We must be the great arsenal of democracy," he declared. "For us this is an emergency as serious as war itself." This proposal was implemented by the far-reaching Lend-Lease bill (H.R. 1776), which became law on March 11, 1941, after three weeks of bitter debate in the Senate. In sweeping language it authorized the President to "sell, transfer title to, exchange, lease, lend, or otherwise dispose of . . . any defense article" to any nation whose defense he "deems vital to the defense of the United States." The term "defense article" included not only all types of weapons but also transport equipment and services, factory machines, raw materials, food, and repair services of all kinds; under it Allied pilots, mechanics, and gunners could be trained in this country and the Allied nations could receive defense information from our military and civilian leaders. In return for lend-lease aid, the United States was eventually to collect "payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satis-

factory." This sweeping grant of aid to the Allies brought criticism outside of Congress from Hoover, Landon, and Norman Thomas, in addition to that from the extreme nationalists; on the other hand, Wendell Willkie and Thomas E. Dewey—the latter somewhat belatedly—supported it.

Two weeks later Congress appropriated \$7 billion for lend-lease. "Within a few minutes," Roosevelt said later, "army and navy war materials were speeding on their way to Great Britain and Greece." New ships were built for the Allies, old ones were repaired, and British pilots were trained in the United States. The tempo of production and delivery was accelerated beyond belief. Lend-lease eliminated the thorny problem of collecting loans after the war, but far more important at the moment was the fact that we could immediately release supplies to the Allies at a time when they were desperately needed.

Meanwhile the German war machine overran Greece and Yugoslavia and forced the British to retire to Crete and finally to Egypt. In spite of the nonaggression pact, Hitler invaded Russia without warning on June 22, 1941. Once more, in keeping with our policy of assisting all those who resisted Nazi domination, the administration arranged for the extension of lend-lease to Russia. To insure the safety of the North Atlantic sea lanes and of Greenland, American soldiers were landed in Iceland on July 7. Since April, lend-lease shipments had been sent on American vessels to the Allies via the Red Sea, which the President had declared to be outside the combat zone. The spread of the war to Russia and our deteriorating relations with Japan led the administration to demand on July 21, 1941, in line with a recommendation by Chief of Staff General George Marshall, that selective service men be retained in the Army beyond the original one-year period.

In his annual message in January, 1941, Roosevelt proclaimed that a moral world order must be based on "four freedoms": freedom of speech and expression, freedom of religion, freedom from want, and freedom from fear. These aims were significantly amplified in the Atlantic Charter, drawn up in August at a secret conference on the Atlantic attended by Prime Minister Winston Churchill and President Roosevelt. The Charter renounced territorial aggrandizement and territorial changes which did not accord with the "freely expressed wishes of the people concerned." It pledged the right of all

peoples to choose their own form of government, and restoration of the sovereignty of the conquered nations. Both countries agreed that raw materials should be accessible to all nations without discrimination. The Charter recommended economic collaboration to improve labor standards and create social security. The peace which would follow this war would, it was hoped, bring freedom from fear and from want. A permanent system of collective security was suggested, to be based at first on the complete disarmament of the aggressor nations. Although the Atlantic Charter was heralded as both wise and liberal, realists who remembered the fate of Wilson's Fourteen Points preferred to reserve judgment until it had been translated into concrete proposals.

Our relations with the Axis continued to deteriorate rapidly. In June we froze the assets of Germany and Italy and a few days later closed the Nazi consulates because of their propagandist activities. In July the President black-listed some eighteen hundred firms in Latin America which were suspected of being agents for the Fascist powers. On July 25, Japanese assets in the United States were frozen, and the day afterward General Douglas MacArthur, former Chief of Staff, was recalled to active service and put in command of American and native forces in the Philippines. On August 26 an American military mission was sent to aid China in her defense against Japan. Meanwhile, after German submarines had begun openly to attack American ships and had sunk a few, our Navy was instructed to take action against any Nazi submarine operating in American defensive waters. By October 9 the President was urging that our merchant ships be armed against the U-boats. That same month he stated that he had in his possession a Nazi map on which South America was divided into five puppet states, and a German document calling for the abolition of all churches and the establishment of an international Nazi "church." In November, Congress, reverting to the theory that the United States should refuse to give up her legal rights as a neutral on the seas, revised the Neutrality Law as recommended by the administration.

Pearl Harbor

Japanese militarists cleverly timed each major advance into south-east Asia as the European war demonstrated the impotence of Hitler's

enemies. Thus the collapse of France in 1940 allowed Japan to put pressure upon the weak Vichy regime and to extract permission to occupy southern Indo-China, conveniently located within striking distance of Britain's base at Singapore and the Dutch possessions. With British Malaysia and Burma and the Dutch East Indies almost within Japan's grasp, Roosevelt decided upon action which he recognized carried the risk of provoking war. Secretary of War Henry Stimson, who had once advised Hoover to use economic sanctions against Japan but failed to convince him, now joined with Secretary Morgenthau and others in urging Roosevelt to end "appeasement" and stop the sale of oil and scrap iron to Japan. Total economic sanctions, it was felt, could paralyze the Japanese fleet—providing Japan did not take the desperate gamble of a war with the United States. The near-collapse of Chinese resistance and the peril to Britain's sea power influenced the decision. Japan's alliance with Hitler and Mussolini could be invoked by the Nipponese at any time that she judged herself attacked by the United States; this possibility hung like a sword over the head of the United States. On July 26, 1941, the President ordered that all trade and travel between this country and Japan be halted and that all Japanese assets in this country be frozen.

Japan's leaders were not all of one mind regarding war. The peace party felt discouraged when Roosevelt decided it would be futile to meet Premier Prince Konoye in a conference at sea. But neither he nor his successor, General Tojo, was ready to promise to end the entire Chinese adventure; things had gone too far for that. However, two envoys who were noted for a pro-American outlook, Ambassador Nomura and Saburu Kurusu, explored the possibilities of arranging a *modus vivendi* with this country pending a permanent settlement of all outstanding differences. Meanwhile, during November, 1941, Hull and Roosevelt had the rare privilege of reading the secretly decoded instructions sent to the Japanese envoys. Dispatches showed that the militarists were in control and were making specific arrangements for an attack. There was even speculation in high circles here whether Japan should not be attacked first rather than wait for the blow to strike almost anywhere.

On November 20 Kurusu issued what Hull knew was a final offer: Japan would withdraw troops from southern to northern Indo-China and stop further advances elsewhere if the United States would cease

aiding China and resume normal commercial relations with Japan, including the sale of oil. However, Kurosu refused to give up the military pact with Hitler and Mussolini. Such a proposal did not interest Hull, although war impended. He offered a counterproposal for Japan to withdraw from Indo-China and China, halt its expansion in the Pacific, and reaffirm in word and deed the open-door policy. In return, he was ready to arrange a generous trade agreement with Japan and cancel all economic restrictions imposed upon her. But it was already too late, as the postwar documents revealed. The Japanese were preparing to attack Hawaii.

Bungling in Washington and Hawaii threw away the tremendous advantage held here of having deciphered the Japanese code and suspecting that Japan was contemplating some aggressive action. On Sunday morning, December 7, 1941, a carrier-based air raid completely surprised our forces concentrated at Pearl Harbor. Military authorities believed that the attack would come somewhere in south-east Asia. In the harbor were eight of our fifteen first-line battleships; of these the *Arizona* was sunk, the *Oklahoma* capsized, and the others were either sunk or severely damaged. More than half of the 475 Army and Navy planes were destroyed or disabled. Those that managed to get off the ground inflicted a toll of about fifty Japanese planes. Of the Navy and Marine forces, 2117 were killed, 876 wounded, and 960 missing; the Army lost 226 men killed and 396 wounded. In effect, the Pacific fleet had ceased to exist.

This fierce attack upon American soil finally convinced most of those who had refused to believe that any nation could be so mad as to attack this country. Isolationist historians like Charles Beard and Charles C. Tansill were to continue to argue that Roosevelt had deliberately maneuvered Japan to strike the first blow. But public opinion was united in support of the President, and Congress declared war on December 8 by a vote that was unanimous except for the single dissenting voice of Representative Jeannette Rankin of Montana, who had also voted against the war declaration of 1917. In accordance with their alliance with Japan, Germany and Italy at once made a formal declaration of war against the United States, whereupon Congress replied with a similar war declaration, this time unanimously.

In his radio broadcast on December 9, Roosevelt revealed that Ger-

many had been urging Japan to make war on us or forgo any share in the spoils of victory. "When we resort to force, as now we must," he said with an eye to the postwar world, "we are determined that this force shall be directed toward ultimate good as well as against immediate evil. We Americans are not destroyers—we are builders."

Chapter 21

WAR OF THE UNITED NATIONS

Mobilizing Troops for Total War

The threat of war had hung over the United States too long to catch this country as unprepared as in 1917, although the armed forces were still too weak to avert the catastrophes of 1941–1942. Under the Burke-Wadsworth Selective Service Act, the bulk of the existing Army of 1,461,000 had been recently recruited; unfortunately, few officers had had the essential combat experience to lead an entire division. Congress had to undo such isolationist knots as the requirement that no draftee might be sent outside of this hemisphere.

To expand the armed forces to the size needed for a war that involved no less than fifteen theaters, a manpower pool was quickly provided from those between twenty (later lowered to eighteen) years and forty-four. The selective service system under General Lewis B. Hershey operated through 6400 local draft boards composed of citizen volunteers who recruited the draftees subject to appeal by higher boards. Relatively few occupations carried exemption. The largest group were those given deferments for farm work and skilled men in certain essential industries. Fathers were usually deferred until the draft of 1944. By the time the war ended there were over 8,266,000 men in the Army (two-thirds of them overseas), 3,380,000 Navy men, 2,372,300 in the powerful Air Force, and 475,000 in the Marine Corps. The total of those in the armed services was close to that of Russia's and exceeded the figure for those of any other nation.

To release men for combat duty wherever possible, the unusual step was taken of recruiting women volunteers into the services such as the WAC (Army), the Waves (Navy), the Spars (Coast Guard) and the Women's Auxiliary of the Marines. A War Manpower Commission headed by Paul V. McNutt of Indiana was organized in April, 1942; and later that year its powers were extended to include jurisdiction over selective service, the United States Employment Service, and the other recruiting and training agencies. Home defense came under the Office of Civilian Defense, which in 1942 included more than five million volunteer air-raid wardens, first-aid workers, nurses' aides, and others.

Fortunately for the green recruits who faced the battle-tested veterans of Germany, Britain's experienced soldiers helped them stand the first shock of the enemy blows, especially in the North African campaign. The British turned over their newly discovered antisubmarine devices, particularly the depth charge, and their mine-detection instruments. The miraculous radar devices and automatic antiaircraft sights that had stopped Goering's *Luftwaffe* during the Battle for Britain were taken over by the Americans with telling effect in the Pacific war. England also contributed such tools of war as the "blockbusters," the rocket, chemical warfare ideas, and a host of techniques acquired from several years of competition with the no less ingenious Germans.

The United States had already demonstrated how much she had to offer besides manpower. Enormous quantities of lend-lease equipment had rearmed Britain after her disastrous rout at Dunkirk. So much had been shipped abroad that our earliest draftees had to be trained with dummy equipment. The Air Force came equipped with novel bombsights and other secret devices. The infantry and marines advanced in North Africa and the Pacific with quantities of "bazookas," which could penetrate the armor of many German and Japanese tanks. More important was the fact that the men in the armed forces were usually technically skilled on a higher educational level than those of any other army. City life may have softened some, but the battlefield record showed that the Americans had not lost their stamina, bravery, and ability to take care of themselves despite the horrors of modern warfare. Inevitably, some of the untested leaders had to be removed, but there emerged men of international stature

whom the enemy learned to respect—Eisenhower, MacArthur, Nimitz, King, Patton, Bradley, and Clark.

Long before the war ended, the nation's scientists were to make contributions to victory comparable with those of the armed forces. Much of this effort centered within the Office of Scientific Research and Development headed by Dr. Vannevar Bush of the Carnegie Institution. Together with their British and other Allied associates, these scientists were to perform the most amazing and successful feat of coöperative science in history—the making of the atomic bomb.

The Island War Against Japan

For five months after the partial destruction of the American Pacific fleet at Pearl Harbor the Japanese made incredibly swift advances. The enemy's flank was now secure for the easy capture of the Philippines and Malaya. With China, Australia, New Zealand, and our own west coast exposed, there were many critics of the stubborn Allied decision to defeat Hitler first. Allied strategists, mindful of the immediate enemy threat to England, were determined to destroy Germany's industries and military power. Until the Nazis were destroyed, it would be enough to absorb the Japanese by a policy of attrition which would destroy Japan's ships and planes faster than she could replace them. As matters turned out, the United States Navy proved capable of far more than this modest objective, for it converted the Pacific war into a major conflict comparable with the war in the West.

Ten hours after the Pearl Harbor attack, the enemy achieved another surprise effect in the Philippines and had little trouble in wiping out the American air force, which had its planes so neatly aligned on the airfields that the Japanese bombers destroyed them quickly. General Douglas MacArthur's forces on Luzon consisted only of 15,000 United States marines and Army troops and 40,000 Filipino soldiers. Within several weeks the Japanese landed some 200,000 well-equipped men on Luzon and isolated MacArthur. In the Bataan peninsula, MacArthur's men held the Japanese at bay until April, 1942. The Filipinos fought with the fierce loyalty of men defending their homes. Few of them followed Emilio Aguinaldo, the old revolutionary leader of 1899, and other anti-American leaders, who counseled their countrymen in radio broadcasts to coöperate with the invaders.

Bataan was doomed, despite the bravery of the defenders, by the fact that American supply ships were unable to penetrate the Japanese blockade. Assistance was then directed toward Australia, which provided a natural base for eventual countermeasures against Japan. MacArthur himself was ordered to Australia by President Roosevelt, being replaced at Bataan by General Jonathan Wainwright. After battling the Japanese for "ninety-eight tortured days," Wainwright and his army—now reduced to 35,000 men—surrendered on May 6. This was the date that the last army of 12,000 men who were holding out in the island fortress of Corregidor had to give up the unequal struggle against enemy blows, disease, and shortages. Thereafter the men faced new tortures—the infamous "death march" of prisoners under a hot sun without water or food, and the barbaric prison camps. Filipino guerrillas continued throughout the war to harass the Japanese in the innumerable islands of the archipelago; MacArthur vowed the early liberation of the Philippines, and the United States government pledged them political independence at the end of the war.

The Americans and their Australian and New Zealand allies were left with the brunt of resistance after the capture of the British key base of Singapore by an overland Japanese attack through the jungle hinterland and the torpedoing of the large British battleships *Repulse* and *Prince of Wales*. Aided by a Burmese fifth column, Japanese troops advancing westward toward India drove the British out of Burma by May 10, 1942. This cut the vital Burma Road, over which desperately needed supplies were being transported from the Allied countries to China. India was in danger, but her leaders insisted that independence must precede coöperation against Japan. However, continental Asia soon ceased to be the major battleground and attention was diverted to the central and southern Pacific.

With the idea of containing a possible counterattack from the United States, rather than the hope of an immediate attack upon the west coast, the Japanese took over Kiska, Attu, and Agattu in the fog-covered Aleutian Islands that stretch from the fringes of Alaska. By this time Allied morale was low. The only encouraging news was the sensational bombing of Tokyo in April, 1942, by American carrier-based fliers under James Doolittle. Its chief importance, as afterwards learned, was that it shook the confidence of the Japanese people that their forces would soon dictate a peace at Washington.

Australia worked feverishly to avert invasion as the triumphant Japanese overran much of New Guinea, New Britain, and the neighboring islands. In May, 1942, the Japanese fleet moved into the South Pacific ready apparently for a crushing blow northeast of Australia. But our carrier-based planes struck back in the Battle of the Coral Sea, inflicting heavy losses—seventeen enemy warships probably sunk or damaged—at the cost of one American aircraft carrier, the *Lexington*.

The Japanese strategy, checked in the Coral Sea, turned to the idea of invading Midway Island as a preliminary to the taking of some of the Hawaiian chain. Unfortunately for this hope, Admiral Nimitz had deciphered enemy code messages which plainly outlined the plan. Early in June our land-based planes intercepted the Japanese flotilla off Midway Island and sank at least four enemy carriers and inflicted heavy damage upon other enemy warships and planes. The losses, which included the carrier *Yorktown*, were low. Midway and Hawaii were saved. Our victory at Midway turned the tide decisively in our favor, drove the Japanese fleet back upon defensive tactics, and permitted the United States to embark upon its own strategy for victory.

Meanwhile in the South Pacific General MacArthur and Admiral Chester Nimitz had been working on a coordinated campaign to advance up the "ladder of the Solomons." This got under way at dawn on August 7, 1942, when our marines landed at Tulagi Harbor on Florida Island. There followed landings on Guadalcanal and nearby islands. But the Japanese defenders were so deeply entrenched underground within a network of limestone caves and tunnels that they took a heavy toll of the attackers. Sea-borne Japanese reinforcements landed after destroying the supporting American vessels and planes and made the Guadalcanal airfields useless by bombardment. The campaign mounted in complexity and fury as both sides sent in additional air and naval squadrons in the great battles of October and November. American naval strategy and superior aviation skill were aided in effectiveness by the use of radar, which located the Japanese fleet long before it was sighted. The final result was the practical annihilation of the Japanese South Pacific fleet, the further decline in enemy morale, and the withdrawal of enemy forces from Guadalcanal Island.

Australian and American troops were now ready to open their long but successful campaign in New Guinea to turn back the Japanese advance which had come close to Port Moresby and to drive the enemy into the sea. During 1943 the jungle war raged. Step by step the stubborn enemy resisted at the passes and trails of the rugged Owen Stanley Mountains. One reporter wrote, "Often the [Allied] troops have to make painfully slow progress by clawing with hands and feet at slippery rock faces overlooking sheer drops into the jungle." Large pockets of enemy troops were trapped but they often chose to continue a suicidal resistance against the Aussies and Yanks who pursued them. By the end of the year they were threatening the strong enemy base at Rabaul, New Britain. Heavy Australian and American reinforcements in men and arms isolated the enemy posts in that area. By February, 1944, the Japanese outer defense system had been destroyed by landings in the Gilbert and Marshall Islands where enemy bombers had been based. As in other island outposts, the marines had to dig out a fanatical foe from underground defenses.

The stage was now set for MacArthur's recapture of the Philippines. In October, 1944, the mass invasion began so skillfully that the Japanese were slow to realize the magnitude of the undertaking. Some six hundred ships landed American troops and supplies upon Leyte in the central Philippines, an army comparable in size to Eisenhower's on D-day in the invasion of Normandy. In a desperate gamble calculated to cut off and destroy MacArthur, the Japanese fleet emerged into the Philippine Sea in a three-pronged pincers movement, only to be severely beaten in an engagement that lasted for days and was comparable to the famous Battle of Jutland in World War I. Admiral Chester Nimitz estimated that our forces had definitely sunk at least twenty-four enemy warships, including four carriers and two battleships, and damaged at least thirty-six more (some of these may have been sunk); few escaped unscathed. Our chief losses—the light carrier *Princeton*, two escort carriers, two destroyers, one destroyer escort, and a few lesser craft—were not excessive in view of the total gains, which included the domination of the Philippines. In the remaining struggles before MacArthur restored the long-exiled Philippine government to power, one of the most bitter was the February Battle for Manila. The army had to ad-

vance through heavily mined streets against an enemy that contested every foot of ground, every house, and every street. Japanese machine gunners behind pillboxes cut down the invaders before they were themselves destroyed. Flames swept through the city and the Americans and Filipinos had to rescue the prisoners left behind by the Japanese from the burning ruins.

While this was going on, the Navy was preparing bases for the final assault upon the Japanese homeland. One of the most costly campaigns in the history of the Marine Corps was the struggle for Iwo Jima, 750 miles southeast of Tokyo. For fifty-four consecutive days the Pacific Strategic Air Force methodically bombed this island preparatory to the landings. Naval artillery joined in the effort. However, the strong Japanese garrison continued to fight behind their concrete pillboxes, within their caves, and from their underground defenses. The marines were equipped with tanks, flame throwers, demolition devices, bazookas, as well as the conventional weapons. This invasion required nearly five hundred ships, including seventeen aircraft carriers and 1170 planes, and the landing of nearly 112,000 men. Before the Japanese were dislodged, over 4500 Americans were killed and four times that number wounded; however, the enemy lost some 20,000 in dead alone.

Scarcely had this costly battle ended than a new island conflict absorbed the world's attention. Okinawa, the chief Japanese base in the Ryukyu chain of islands which led to the homeland, saw the final land campaign of the war with Japan. On April 1, 1945, the Tenth United States Army under Lieutenant General Simon Bolivar Buckner advanced after the usual softening air and sea artillery fire; some 200,000 were thrown into the battle. Once more, the task proved painfully costly, for the enemy was at least as thoroughly entrenched in intercommunicating caves and behind concrete gun emplacements as at Iwo Jima. Flame-throwing tanks, dynamite squads, and riflemen almost wiped out the Japanese defenders, killing over 110,000 and capturing 4000. General Buckner was himself killed by Japanese shellfire and the Americans lost 12,560 either killed or missing and 36,600 wounded.

Okinawa was unusually costly in naval losses. The Japanese gambled upon a secret weapon to destroy the fleet as the sole alternative to losing the war—the *Kamikaze* ("typhoon") suicide planes. These

**RECONQUEST BY THE ALLIES
1942-1945**

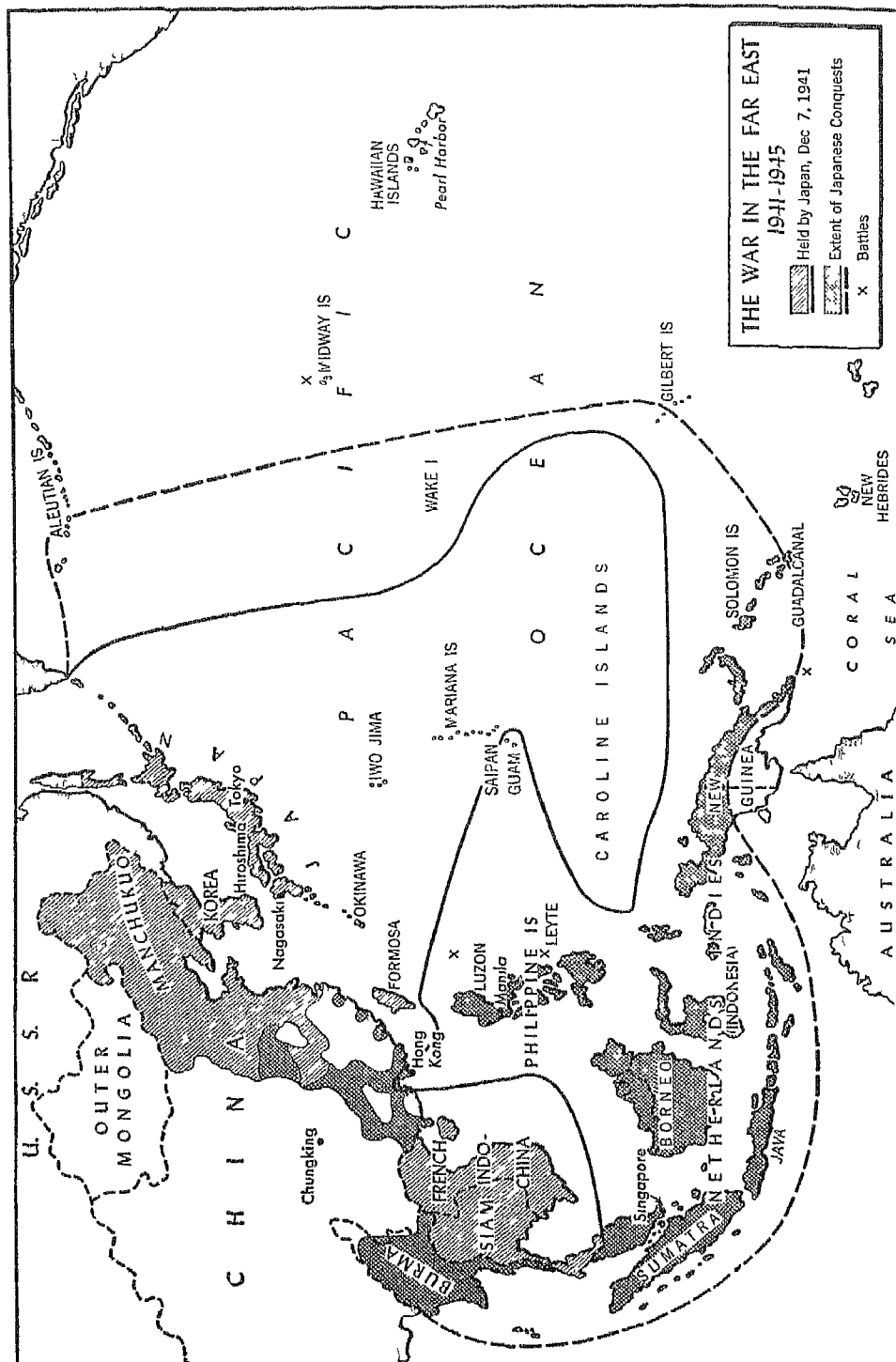
The map illustrates the following military movements and dates:

- North Africa:**
 - Nov 1942: American, British & French thrusts from Morocco (Casablanca) into Algeria and Tunisia.
 - July 1943: American thrusts into Sicily.
 - Sept 1943: American thrusts into Salerno.
 - June 1944: American thrusts into Rome.
 - Aug 1944: American thrusts into Naples.
- Italy:**
 - Spring 1945: American thrusts into the Po River region.
 - May 1945: American thrusts into the Veneto region.
- France:**
 - June 1944: "D-Day" thrusts from the English coast into Normandy.
 - Aug 1944: American thrusts into Paris.
 - Mar 1945: American thrusts into the Rhine region.
- Central Europe:**
 - Jan 1945: American thrusts into Poland (Warsaw).
 - Apr 1945: American thrusts into Czechoslovakia (Bratislava).
 - May 1945: American thrusts into Austria (Vienna).
 - Apr 1945: Russian thrusts into Hungary (Budapest).
 - Aug 1944: American thrusts into Romania (Bucharest).
 - Aug 1944: American thrusts into Bulgaria (Sofia).
 - Oct 1944: American thrusts into Yugoslavia (Belgrade).
- USSR:**
 - 1943: Russian thrusts from the Caucasus into the Crimea.
 - 1944: Russian thrusts from the Caucasus into the Black Sea.
 - 1944: Russian thrusts from the Black Sea into the Crimea.
 - 1944: Russian thrusts from the Black Sea into the Crimea.
 - 1944: Russian thrusts from the Black Sea into the Crimea.
- Other Regions:**
 - 1942: Russian thrusts from the Caucasus into the Crimea.
 - 1942: Russian thrusts from the Caucasus into the Crimea.
 - 1942: Russian thrusts from the Caucasus into the Crimea.
 - 1942: Russian thrusts from the Caucasus into the Crimea.
 - 1942: Russian thrusts from the Caucasus into the Crimea.

Legend:

- American, British & French thrusts
- - - Russian thrusts
- Held by Germans on V E Day

 American, British & French thrusts
 Russian thrusts
 Held by Germans on V E Day



were usually small planes with a "nose" filled with dynamite that were guided by suicide pilots who rammed them at a speed up to six hundred miles per hour upon a warship, frequently sinking it or at least damaging the vessel severely. At Okinawa, partly as a result of these *Kamikazes*, the United States had 36 ships sunk and 369 damaged; but the Japanese also lost sixteen vessels, including the 45,000-ton *Yamato*, and had several damaged. The losses in planes were unique: 763 American aircraft and 7830 Japanese (over a thousand of these were destroyed on the ground). This expensive victory convinced Allied leaders that the final invasion of the Japanese mainland might cost them more than a million lives.

Europe and North Africa

While the west coast shuddered over possible Japanese submarine and air attacks, the east coast actually saw many German submarine attacks and raids upon American shipping. Swift Nazi U-boats, capable of sustaining themselves indefinitely, operated with impunity along the Atlantic coast and in the Caribbean. By the fall of 1942, however, the factories were turning out antisubmarine devices in quantity, trained crews became available for this undersea warfare, and radar-equipped patrol planes struck at the U-boats as they resurfaced at night.

The war news of early 1942 was not only dismal in the Far East but even worse in Russia and North Africa. Nazi troops overran the Ukraine, besieged Leningrad, Moscow, and Stalingrad, and took innumerable prisoners. Not until November, 1942, did the Russian defenders of Stalingrad reverse their role with the besiegers. In North Africa, General Erwin Rommel, "the desert fox," captured Tobruk and its British garrison of 25,000 on June 21, 1942, pushing the British army back within seventy miles of Alexandria on the way to the Suez Canal, gateway to the oil riches of the Middle East and imperial communications. In October, however, a reinforced British army under General Bernard L. Montgomery defeated Rommel at El Alamein and drove the Nazi-Italian armies all the way back to Tunisia.

In June, 1943, Roosevelt and Churchill discussed at Teheran a practical substitute for the Continental second front that the Russians were vehemently demanding. This was a large-scale Anglo-

American attack upon the Axis forces in North Africa, preparatory, as Churchill phrased it, to an assault upon the "soft underbelly" of southern Europe. They named Major General Dwight D. Eisenhower as head of Allied military and air forces in the European sphere. "Ike" was then chief of the Army's Operations Division, which coordinated the activities of American military and naval forces in Europe with those of the other Allies. Born in Abilene, Kansas, in 1890, he had graduated from West Point and served as an instructor and tank officer in World War I. In 1935 he accompanied MacArthur on a military mission to the Philippines and helped to plan the defensive strategy that enabled the Filipino-United States force to hold on as long as they did at Bataan. He had a marked ability to get men of widely diverse views and temperaments to co-operate and to organize miscellaneous groups into a unified striking force.

On November 7, 1942, the "largest amphibious expedition in history" began when 500 troop transports escorted by 350 warships landed British and American soldiers on the coasts of French Morocco and Algeria. These French possessions were under the Vichy government headed by Marshal Henri Pétain, who advocated a policy of abject collaboration with Nazi Germany. General Eisenhower and our State Department avoided prolonged bloodshed by successful negotiations with Admiral Jean François Darlan, a hitherto anti-British member of the Vichy regime who was able to bring about the surrender of the French garrisons at Algiers on the first day and at Casablanca on the third; Allied losses were thus comparatively light. With the first stage of the campaign ended, Allied troops, soon augmented by French contingents, marched on the Axis-held French protectorate of Tunisia. Darlan brought French West Africa over to the Allied side and then turned his efforts to winning over the important French fleet at Toulon. But as soon as the Allies invaded North Africa the Nazis overran the hitherto unoccupied southern portion of France and marched quickly into Toulon. Thereupon, except for a few units which escaped from the harbor, the French fleet was scuttled by its crews.

The liberal press condemned our recognition of Darlan, the ex-collaborationist, as political head of North Africa and charged him with Fascist leanings; but Roosevelt, pointing out that the arrange-

ment was only temporary, supported Eisenhower and the State Department. Darlan was assassinated on December 24 and was succeeded by the popular but politically neutral General Henri Giraud, who had escaped from the Nazis with Allied aid. This was a source of dissatisfaction to General de Gaulle and his Fighting French, who had never collaborated with Hitler. Although De Gaulle eventually was recognized as political leader of the liberated French people, Roosevelt made it clear that only the French people themselves, after all of France had been liberated, could decide on their country's permanent government. American pressure on Giraud's new North African regime hastened the nullification of laws, especially those against the Jews, which had been enacted by the Vichy government after the fall of France in 1940. Giraud, promised ample lend-lease supplies by the United States, planned to organize a new French army of perhaps 500,000 men to fight against the Nazis.

Meanwhile the Allies had moved into Tunisia but were hampered for months by a reinforced German-Italian army and a combination of poor weather and difficult terrain; nevertheless, they conquered all Tunisia by early summer. General Eisenhower thereupon ordered the invasion of Sicily, an amphibious operation on a far larger scale than any preceding one; 3266 transports and other vessels took part. While General Montgomery led his Eighth Army into eastern Sicily and Canadian troops advanced into the center, American forces under Lieutenant General George S. Patton, Jr., invaded western Sicily. The morale of the Italian soldiers—it had been declining steadily for some time—collapsed, leaving the bulk of the fighting to small numbers of picked German troops. As a result, the Battle of Sicily, which began on the night of July 9, ended abruptly.

Mussolini was overthrown in a palace revolution on July 25 but was subsequently rescued by the Nazis. The new government set up by Marshal Badoglio signed an armistice on September 3 which gave Italy the status of cobelligerent on the Allied side. By this time the first stage of the invasion of the Italian mainland, with Rome as the objective, was being completed. Montgomery's troops were advancing up the heel of the Italian boot and along the western slope of the Apennines, and Lieutenant General Mark W. Clark was leading an Anglo-American amphibious expedition which captured "bloody Salerno" and eventually drove on to Naples.

The Nazis, profiting from the uneven miry terrain, the snow-covered mountains, and the miserable weather, which aided defensive operations, fought a fierce delaying action that held the British and Americans in 1943 to small gains beyond Naples. Although the Allies failed to cut off the German forces retreating from southern Italy, they succeeded in establishing the Mediterranean air bases that were vital for bombing Germany from the south and in assisting Yugoslav guerrillas against Nazi occupation troops.

If this campaign was not the second front envisaged by the hard-pressed Russians, it at least diverted several Nazi divisions from the east. The opening of the Mediterranean sea lanes eased the transportation problem for the Allies, strengthened the supply lines to the Far East, and made available warships hitherto kept in Atlantic waters to reduce the Nazi submarine menace. Rome itself was taken by units of General Clark's Fifth Army on June 4, 1944—an event which heralded the prompt abdication of Victor Emmanuel III in favor of his son Prince Humbert (in accordance with his promise), the resignation of Premier Badoglio, and the formation of a government untainted by fascism.

Russia's rapid advance during 1943–1944 across her pre-1939 borders as well as the Italian campaign gave Britain and the United States much-needed time in which to prepare the long-heralded invasion of France. In the meantime American and British airmen were accelerating the “softening up” of the industrial cities of the Reich and were methodically wiping out entire factory sections; large sections of Berlin, Hamburg, and other cities were reported to be in ruins early in 1944. American bombers of the Eighth Air Force dealt Germany's aircraft industry a severe blow and forced the *Luftwaffe* to go on the defensive. From across the Atlantic huge convoys of American fighting men and supplies were landed in Great Britain.

On June 6, 1944—D-day—3200 transports and landing craft, supported by some 8000 Allied planes of all types, opened the initial phase of the Battle for France. The Allies poured nearly 2,500,000 troops, 500,000 vehicles, and 17,000,000 ship tons of munitions and supplies into this campaign during the first 109 days. General Eisenhower was made supreme commander of the operation. Lessons learned in the Pacific proved invaluable for the large-scale amphib-

ious operations in Normandy. Novel prefabricated ports solved the problem of landing supplies on the coast. American land forces under General Omar N. Bradley in conjunction with General Montgomery's British and Canadian forces overran Germany's long-prepared Atlantic Wall. The destruction of the German Seventh Army opened the road to Paris. As the French soldiers marched into the city alongside American and British units, the Parisians went wild with joy to witness the end of the arrogant Nazi domination. Meanwhile, on August 15, Allied troops landed on a hundred-mile coastal strip of southern France around Toulon and Nice and forced the Nazis to stretch their reserves to the breaking point.

While the British pushed across Belgium and Holland and Canadian troops captured Antwerp, American soldiers farther south probed sections of the formidable Siegfried Line. The American First Army fought a fierce prolonged campaign for Aachen, famous as the medieval seat of Charlemagne's empire. This vital bastion of the Siegfried Line fell on October 20 to a demolishing artillery and air attack preceding the charge of the infantry. Simultaneously, good news arrived that Russia had taken Bulgaria and that MacArthur was advancing in the Philippines.

Nazi General von Rundstedt gambled upon a last desperate counterattack with fifteen divisions in the Ardennes, hoping to repeat the great breakthrough westward which had sealed the doom of the French armies in 1940. "Soldiers of the West Front," read his order of the day in December, 1944, "your great hour has struck. Everything is at stake." As if reliving a nightmare, the Allies watched the Germans hurl the First United States Army out of Germany and encircle large detachments in the Battle of the Bulge. Patton's Third United States Army thrust northward through Luxembourg to rescue the Americans at Bastogne. By the end of January, 1945, the Nazis had been wiped out and the march to the Rhine continued.

V-E Day

The grand finale of the worst war in history, culminating in the atomic bomb, began in the spring of 1945. In mid-April, the Anglo-American Army Group under General Mark W. Clark opened its decisive advance upon Bologna, driving the Germans through the Po Valley. On the twenty-ninth, the discouraged German commander

surrendered without consulting the higher command. The day previously, Italian partisans executed their prisoner, Benito Mussolini, chief architect of fascism, and hanged his body by the heels. All hostilities on the Italian front ceased on May 2.

In eastern Europe, eight powerful Soviet armies sped across a huge battle front from the Baltic to the Danubian valley, driving two million Nazi troops before them, taking Warsaw in January, Budapest in February, Danzig in March, and finally capturing Berlin itself the day Italian hostilities ceased. Scarcely less spectacular were the advancing Allied armies in France and western Germany under Eisenhower. In February the Allies launched a giant offensive along the Roer River and advanced to the Elbe. On March 7, an armored division of the First Army reached the Rhine, luckily found the last usable bridge at Remagen intact, and won a bridgehead which proved decisive for the Rhine crossing. By the end of the month a skillful "double development" maneuver had encircled the Ruhr basin. Three weeks later, Russian and American troops made contact and halted to prevent any accidental clashes. German resistance had vanished. On April 30 a Hamburg radio announced that Hitler had been killed.

General Bradley jubilantly declared to his soldiers on April 25, "the [Soviet] armies have come to you from the ruins of Stalingrad and Sevastopol—across the scorched cities of the Ukraine. In two years, they have smashed 1400 miles through German armies to drive the enemy from Russia and pursue him to the Elbe." Turning to the armies of the West, he added proudly, "Across 3500 miles of an ocean supply line, you forced a coast the enemy has been years in preparing against you. Within four months after landing, you destroyed whole armies—to take Paris, free France, and give the world a symbol of freedom."

In a French schoolhouse at Reims on May 7, 1945, Eisenhower and the Allied commanders, including Soviet officers, accepted the unconditional surrender of Germany's armed forces from Colonel General Alfred Jodl, chief of the Wehrmacht and chief of staff to Grand Admiral Karl Doenitz, Hitler's successor. To the silent Allied victors Jodl spoke briefly, pleading for generosity to his beaten country—an odd predicament for a Nazi. Fighting in Europe ended May

8, 1945, officially designated as V-E Day. With Germany and her European satellites eliminated, there remained only Japan.

Mixed with the rejoicing over the armistice was a deep note of sorrow. On April 12, the day American Ninth Army troops reached the Elbe, sixty miles from Berlin, and our Third Army took Weimar, President Franklin D. Roosevelt, who had come to symbolize the resistance of the United Nations to fascism, died of a cerebral hemorrhage at his home in Warm Springs, Georgia. Although his work as a war leader had been almost completed, the world looked to his leadership in the difficult task of reconstruction and the achievement of a lasting peace. At home, it is true, the congressional coalition of southern Democrats and Republicans had blocked his cherished "Economic Bill of Rights," and the end of war would unleash powerful pressures for laissez faire long repressed by the New Deal and the war. Amid these circumstances, Vice-President Harry Truman, then sixty-one years of age, was sworn in as thirty-second President. Before Congress he promised that there would be "no relaxation in our efforts to improve the lot of the common people," that he would carry out the bipartisan foreign policy of Roosevelt, and that he would bring the war to an early successful conclusion. Although many New Dealers, it was then clear, would have preferred Wallace in the White House, the stature of Truman had already been seen during his Senate years. Most nonpolitical observers had been deeply impressed by the Truman Committee's thorough investigation of the national defense program and the negotiation of defense contracts. His "Fair Deal" became the logical successor of the New Deal.

The Atom Bomb and Japan's Defeat

On July 26, 1945, President Truman, Prime Minister Churchill, and Chiang Kai-shek joined in issuing the Potsdam Declaration from Germany calling for Japan's unconditional surrender on pain of "annihilation." They knew that the war could not long be protracted in the face of their new secret weapon, the atomic bomb. Without hinting at this secret, the three warned Japan of the fate of Germany and offered the terms already formulated at Cairo and Yalta. Japan was to be stripped of all her annexations since 1894 plus the Kuriles, to give up her war industries, and to accept a mili-

tary occupation force to disarm Japan and to lay the basis for democratic institutions. She was assured of help in securing access to raw materials and of future participation in world trade on a basis of equality. None would be enslaved, but all war criminals would be punished. Japan chose to disregard this ultimatum. (One Japanese editor close to the Foreign Office later said that the Japanese Cabinet had actually accepted the Potsdam ultimatum, but that in the reply the word *mokusatsu* was mistakenly translated as "ignore" rather than "consider"; the prowar extremists had used this slip to keep the country from making peace. However, the State Department has not accepted this account.)

On August 5, 1945, the first atomic bomb was dropped with devastating results on a major Japanese ordnance-making center, Hiroshima. Fully 60 percent of the city was wiped out, with over 78,000 of its 343,000 inhabitants killed and relatively few escaping without some injury. Nearly all green vegetation was obliterated. This grim event did not immediately lead to Japan's surrender, although the government had previously asked the Russians to act as mediators. Therefore on August 8 a second bomb, more deadly than the first, was dropped on Nagasaki, a leading shipping and industrial center. It obliterated one-third of this city of 253,000 and left almost 40,000 dead or missing. That same day the Soviet Union, in keeping with its previous commitment, declared war on Japan and launched a lightning drive into Manchuria, Korea, and the southern part of Sakhalin island. Truman declared emphatically, "We are now prepared to obliterate more rapidly and completely every productive enterprise the Japanese have left above the ground in any city. . . . Let there be no mistake: We shall completely destroy Japan's power to make war." On August 10, Japan offered to surrender on the basis of the Potsdam Declaration, and hostilities ended four days later; the signing of the articles of surrender took place on September 1, 1945—proclaimed as V-J Day.

Behind the story of the atom bomb was the revelation of the race that we had been running against Germany for the discovery of the weapon. Spurred on since 1942 by news of sensational German advances in experiments with atomic power, Roosevelt and Churchill, aided by Canada, had decided to pool their previously independent efforts in this field into a mammoth cooperative scientific venture,

"the Manhattan Project," under Brigadier General Leslie R. Groves; nearly \$2 billion was spent and 125,000 scientists and workers were employed in laboratories and factories. While German atomic plants were being bombed incessantly by British and American planes, Allied scientists, including key German émigrés whom Hitler had expelled as non-Aryan, worked in the security of American soil. Thus, Professor Albert Einstein, refugee from Hitlerism, who in 1905 had written the basic mathematical equation for the conversion of matter into energy, had advised the administration in 1939 of the likely possibilities of harnessing atomic energy released through the "fission" of Uranium 235. The pioneer test of the atom bomb took place secretly on July 16, 1945, at the Alamogordo Air Base in the New Mexico desert; the reverberations of the terrific blast shattered plate-glass windows in Silver City a hundred miles away. Nature had yielded one of its most incredible sources of energy and the atomic age was born.

Despite the shortening of the war and the hope that atomic power might usher in an age of plenty, the Allied peoples were shocked and saddened by the horrible potentialities of the bomb. It required little imagination to recognize the possibilities for international blackmail and intimidation that could be exercised by those ready and willing to use the bomb to the fullest extent. General Henry H. Arnold, Commander of the Army Air Force, visualized a cheaper and improved atomic bomb in the near future carried in pilotless aircraft over the oceans at supersonic speed. Here was the greatest test facing the collective intelligence of mankind—the struggle to escape annihilation.

Only the next generation could fully assess the cost of World War II to the world. Vatican estimates placed the total dead, both military and civilian, at 22,060,000. In May, 1952, when the data were still being audited, the Department of Defense reported that of the 15,272,566 engaged in the United States Army, Navy, and Marine forces, 1,066,938 had died or been wounded; total deaths were 393,131, of which 293,732 were due to battle. In World War I, this country had suffered 126,000 mortalities. Early reports from the British Empire recorded 353,000 killed. Among all the belligerents, the Soviet Union paid most heavily, with combined military and civilian dead estimated at twelve to fifteen million people. The most

shocking civilian tragedy took place in Nazi-occupied countries where some six million men, women, and children, largely Jews, were put to death, starved, or tortured in German concentration camps like those at Buchenwald, Maidanek, Belsen, and Dachau. The Axis nations paid frightfully too. Nazi Germany lost 2,100,000 men, suffered 4,200,000 wounded, and failed to account even in 1954 for enormous numbers of prisoners still in Russian hands. Some 468,000 Japanese lost their lives and 4,616,000 were reported as wounded.

Many industrial cities were in ruins and some of the finest art treasures had disappeared. Semiofficial estimates for the direct military cost of the war for both sides (excluding China) amounted to over \$1116 billion, of which the United States paid over \$330 billion; accruing costs connected with the war were expected to double this figure for Americans within a generation. There still remained the vast burden of feeding the starving peoples of the world, restoring their homes, and stabilizing their economies.

Wartime Diplomacy

England and the United States worked together so harmoniously during the war that observers predicted a similar pattern of postwar coöperation. Joint war staffs and international boards laid out strategy, secured raw materials and food supplies, and stimulated production of munitions and other needed goods. American lend-lease shipments to the Allies exceeded \$43 billion before the war ended. This country and Britain contributed \$11 billion to the mechanization and supplying of the Red Army. The United States alone sent Russia 2660 ships with 16,500,000 tons of supplies, including 440,000 trucks and war vehicles, 11,000 railroad cars, and large quantities of planes, munitions, and other war goods. "Reverse lend-lease" from the Allies brought over \$6 billion to this country before the fighting ended.

Yet collaboration with the Russians was painfully difficult. Both sides suspected that the other would make a separate peace with Germany. Stalin openly charged the Allies with cowardice because they delayed opening a second front in continental Europe. The suspicious Kremlin rebuffed a plan to base an Anglo-American air force in the Caucasus. Capitalists, it appeared, could not change their nature.

The Allies effected a common purpose at the Moscow Conference of October, 1943, which Hull attended personally. The four-power Moscow Declaration (China was represented too) called for unconditional surrender, pledged the destruction of Italian fascism, promised Austria independence, agreed upon postwar coöperation, and declared the need for a general international organization to maintain peace and security. On November 5, the Senate implemented the Moscow Declaration by voting 85 to 5 in favor of the Connally Resolution, which endorsed an international peace organization "at the earliest practicable date" after the war "based on the principle of the sovereign equality of all peace-loving States."

Those who hoped for early victory and a postwar world in which Russia would fully collaborate felt enthusiastic about the Big Three Conference at the capital of Iran, Teheran, during November 28–December 1, 1943, which was attended by Churchill, Stalin, and Roosevelt. Amid a cordial atmosphere the three agreed upon the co-ordination of a huge Russian offensive to be launched simultaneously with the Anglo-American second front in France—Operation Overlord, which was originally dated for May, 1944. Each promised further economic aid to Iran to insure the transportation of Anglo-American supplies to Russia and pledged the recall of their troops in that country at the end of the war. A secret proviso assured Allied aid to Tito's Yugoslav Partisans who were harassing Hitler's troops from their mountain retreats. In order to bring Turkey in as an ally, Stalin offered to take care of Bulgaria if that country helped Germany. Altogether, Teheran marked the high point of Allied unanimity.

Roosevelt, Churchill, and Chiang Kai-shek met in Cairo later that month to discuss the final disposition of Japan. She was to be deprived of every Pacific island she had taken since 1914 together with the territories of Manchuria, Formosa, and the Pescadores. Korea, which Japan had annexed in 1910, was promised freedom and independence. Thus Japan was to be reduced to the status of a third-rate power while China was to revive her former greatness. Both Britain and the United States signed treaties with China in 1943, which surrendered the Western rights of extraterritoriality that had permitted foreigners to ignore China's courts and other symbols of her independence. It was hoped that other Western powers would follow this

example of democratic good will and banish the last remnants of foreign imperialism.

Yalta

No wartime conference aroused such controversy after the war as the meeting between Roosevelt, Churchill, and Stalin in the former Czarist palace at Yalta in the Crimean peninsula. During February 4-12, 1945, when the war against Germany and Italy was in its final stages, the Allies discussed the problem of defeating the relatively intact Japanese armies on the Asiatic mainland. The heavy Allied casualties in the face of the suicidal Japanese resistance in the Pacific islands suggested that it might cost a million Allied casualties to take the Japanese homeland. As yet the potency of the atom bomb had not been demonstrated, but it was clear that the Russians were capable of absorbing a good deal of the task of defeating Japan on the mainland. The canny diplomats of the Kremlin exacted a heavy price for their full-scale entrance into the war against Japan.

Roosevelt and his advisers could not foresee that the atom bomb would make Russia's aid almost superfluous. They saw no alternative but to grant the USSR extraordinary territorial and political concessions in return for a written promise that Russia would enter the Far Eastern war within two or three months after the surrender of Germany. The first section of a "top secret" protocol recognized the existing, but often contested, Russian control over Outer Mongolia. The next provisions were to be costly in terms of America's strategic position in the Pacific:

2. The former rights of Russia violated by the treacherous attack of Japan in 1904 shall be restored, viz.:

(a) The southern part of Sakhalin as well as the islands adjacent to it shall be returned to the Soviet Union;

(b) The commercial port of Dairen shall be internationalized, the pre-eminent interests of the Soviet Union in this port being safeguarded and the lease of Port Arthur as a naval base of the USSR restored;

(c) The Chinese-Eastern Railroad and the South Manchurian Railroad, which provide an outlet to Dairen, shall be jointly operated by the establishment of a joint Soviet-Chinese company. . . .

3. The Kurile Islands shall be handed over to the Soviet Union.

Thus the Soviets not only regained the ground lost in the Russo-Japanese War of 1905 but also secured the valuable strategic islands of the Kuriles uncomfortably close to the Aleutians off Alaska. In addition, the Russians were promised the occupation of Korea north of the 38th parallel—an unfortunate concession, as the Korean War of 1950 proved. Roosevelt also agreed to the Russian demand for two extra votes in the projected United Nations Assembly—one for the Ukraine and another for White Russia (Byelorussia) although neither enjoyed more than formal autonomy within the centralized Union of Soviet Socialist Republics. The Anglo-American Allies also agreed that each of the major powers which comprised the executive Security Council should have an absolute veto on such crucial matters as war and sanctions.

In the discussions regarding Europe, Russia was conceded a large part of prewar Poland and in turn promised (without fulfilling the promise) that a free Poland would be established through democratic elections. Both sides, as it developed, had different ideas as to what was "democratic." Elsewhere in the Balkans, the Red armies were to withdraw and the Big Three would jointly assist the liberated peoples "to form interim governmental authorities broadly representative of all democratic elements in the population and pledged to the earliest possible establishment, through free elections, of governments responsive to the will of the people." Tito of Yugoslavia, then allied with the Kremlin, was recognized at the expense of the anti-Communist rival, Mikhailovitch. Other sections of the Yalta agreements provided for the dismemberment and disarmament of Germany and permitted France to share one of the zones of occupation together with the United States, Britain, and the USSR. The Russians argued for heavy reparations in kind from Germany in consideration of the heavy losses suffered by them in the war; however, no specific reparation figures were agreed upon although the Russians afterwards seemed under the impression that they would get \$10 billion in goods.

Such sweeping concessions seemed fully justified at the time. Only much later did antiadministration critics insist that a sickly President, misled perhaps by disloyal advisers, had been no match for the astute Stalin. Hopefully, Roosevelt told Congress on March 1, 1945,

that the Yalta Conference in spite of painful compromises meant "the end of the system of unilateral action, exclusive alliances, and spheres of influence, and balances of power, and all the other expedients which have been tried for centuries and have always failed." But the next day news arrived that Russia was repudiating the Polish government-in-exile of London to sponsor a pro-Soviet coalition at Warsaw. The Soviets made it clear that they had no intention of permitting Poland, as in Pilsudski's day, to become the springboard for Western military action against Russia. Considerably disturbed, Roosevelt and Churchill protested to Stalin, only to learn that the Russian interpretation of Yalta differed fundamentally from the Anglo-American. This was all the more disquieting, coming as it did shortly after Rumania's postwar government had been replaced by the Kremlin with a Communist-led coalition. Apparently, Soviet concepts of security differed but little from those of the Czarist regime. But the West did not feel certain that it was security rather than a renascent drive for Communist world revolution that inspired these tactics.

Toward a New World Order

On November 9, 1943, the Allies set up the United Nations Relief and Rehabilitation Administration, representing forty-four nations, to serve as a "world community chest" and as a potential world peace organization. UNRRA was an emergency council concerned with the feeding and housing of the twenty or thirty million people uprooted by the war. Each member nation contributed on the basis of its national income to a pool which it was estimated would amount to \$2.5 billion. The Big Four—the United States, Britain, China, and Russia—made up an executive Central Committee, and the others were represented in a policy-making council. Herbert H. Lehman, formerly governor of New York, was named Director General. Special overseas personnel were trained for relief administration within regional committees.

On June 15, 1944, Roosevelt took the initiative in announcing plans for a world organization: "We are not thinking of a superstate with its own police forces and other paraphernalia of coercive power. We are seeking effective agreements and arrangements through which the nations would maintain, according to their capacities, ade-

quate forces to meet the needs of preventing war and of making impossible deliberate preparation for war, and to have such forces available for joint action when necessary." To translate these hopes into deeds the State Department sponsored the Dumbarton Oaks Conference, which opened August 21, 1944, in Georgetown, just outside of Washington, D.C. This Conference followed certain other international meetings dealing with monetary stability. Hull met with the Russian, British, and Chinese representatives at the beautiful Dumbarton Oaks manor house to explore the organizational forms that a postwar security league might take. It was readily apparent that the peace of the world rested primarily on the decisions made by the Big Four and that therefore these nations (with the expected addition of France) must occupy a special position in the projected league.

Hemisphere Solidarity

War brought the Western Hemisphere into ever greater economic and political intimacy. Military and economic coöperation with Canada advanced far beyond the joint defensive plans of pre-Pearl Harbor days. Japan's early successes and the threat to our own west coast clearly indicated the need for us to guard our communications with Alaska. Accordingly, construction on the Alcan Highway was begun in March, 1942. The road was cut through the wilderness from Dawson Creek on the eastern border of British Columbia to Fairbanks, Alaska—a distance of 1670 miles—and was completed by November, 1942. Canada not only consented to this project but supplied some of the materials, the agreement being that the portion of the road within her borders would revert to her after the war.

Latin America's solidarity with the United States was apparently in proportion to the geographic proximity of the various nations. Thus Mexico declared war on the Axis in May, 1942, after several of her oil tankers had been torpedoed by German submarines. She co-operated with us in home defense measures and entered an agreement with us for the reciprocal use of air bases. Our lend-lease supplies enabled her to expand and modernize her army and to produce essential war materials for the Allies. Under the stimulus of the war and of subsidies from us, Mexico turned more than ever from agriculture to industry and mining and enjoyed a major economic boom. Cut off from her European markets, she depended heavily on closer

economic relations with us. Our acute shortage of agricultural labor, especially in the Southwest, was relieved by a carefully planned program which brought Mexican workers to this country, assured them the prevailing wage rates and adequate housing, and guaranteed them against racial discrimination.

The basic blueprints for inter-American coöperation as a whole were drawn at Rio de Janeiro in January, 1942, when the third Conference of Foreign Ministers met to adopt common measures against the Axis and to adjust the hemisphere economy to the loss of normal trade channels abroad. The United States was interested in stamping out fifth-column activities in Latin America and in developing nearby resources which could supply strategic materials—especially rubber, cordage, and various agricultural and forest products—that had been lost to the Japanese. The leading hemisphere powers, including recalcitrant Argentina, had agreed a month before the Conference to consider the United States a nonbelligerent; this allowed us to use harbors and airports that were closed to the warring nations. Although Argentina's isolationist Castillo government had an important part in preventing the Conference from taking a vigorous anti-Axis stand, it was recommended that diplomatic relations be broken with Rome, Berlin, and Tokyo. The Conference laid plans for economic and financial coöperation, gave tacit support to our black-listing of Axis-dominated firms, and agreed to coöperate in developing sources of strategic materials.

At the same time our government completed agreements with fifteen Latin-American countries designed to stimulate a long-range rubber program and the introduction of sanitation measures; the plans called for the opening of the malaria-infested Amazon Basin. Countries in the accessible Caribbean area were encouraged to raise the fiber plants and mahogany which we formerly obtained from the Philippines, and American experts—scientists from the new Inter-American Institute of Agricultural Sciences at Washington, for example—attempted to conquer other material shortages. Tiny Costa Rica helped to lighten our shipping problem by furnishing supplies to American soldiers in the Canal Zone. Thus loans, technical aid, lend-lease supplies, and the heritage of the "good neighbor" policy welded the Western Hemisphere into an economic unit. The only exception was Argentina, which was left to enjoy a costly isolation.

The Home Front: Production

Roosevelt's task in waging World War II was far greater than Wilson's in 1917-1918 and the results were much more impressive. Both had to cope with strong isolationist and pacifist sentiment which hampered preparedness. In World War I, Congress had declared war on April 6, 1917, but the American Army was not ready for any major engagement until the end of May, 1918, and as late as the fall of 1918 the Army was still depending upon French or British artillery and aircraft. Roosevelt's mobilizers learned much from studying this experience. The methods of Bernard Baruch and his War Industries Board had won the highest praise possible—imitation by the Nazis during their preparations for war. Baruch continued to advise Roosevelt during the Second World War although the President hesitated to give him a key post.

The long lean years of the depression had not been without result for the nation's security. Railroad equipment and capital resources had been depleted and required restoration. On the other hand, the hitherto embarrassing food surpluses and the millions of unemployed became assets in a total war. With the help of work relief, skilled workmen had been able to keep their training alive and a major defensive arm, the Navy, had been renovated. Multiple-dam projects like TVA aided the war effort by vastly increasing the output of electrical power, fertilizers, aluminum, and other by-products. A modernized network of roads and bridges built by PWA, WPA, and other government bureaus tightened interior communications and transportation.

Shortly after the fall of France in May, 1940, large-scale preparedness got under way directed by a new Advisory Commission to the Council of National Defense, reminiscent of Wilson's 1916 Board. It was headed by William S. Knudsen, who had migrated here from Denmark at the age of twenty and risen from bicycle mechanic to the presidency of the General Motors Corporation. Despite the handicap of working with a mere advisory council, Knudsen applied his energetic ability to getting things done. The following year he and Sidney Hillman of the CIO became codirectors of the Office of Production Management; and in January, 1942, he became Lieutenant General Knudsen, director of production for the War Department.

Meanwhile, Roosevelt tried to unite the nation at a time when he was seeking a third term by bringing in during 1940 two Republican leaders with well-known international views. One was Henry L. Stimson, once Taft's Secretary of War and Hoover's Secretary of State. He replaced the isolationist Secretary of War Harry A. Woodring. The second was Frank Knox, the publisher of the *Chicago Daily News* and Landon's running mate in 1936; he became Secretary of the Navy. Both Stimson and Knox had been active in the old progressive movement and so no sacrifice in New Deal principle seemed to be involved. To placate business and command the talent of the ablest industrialists, Roosevelt drew heavily upon Wall Street "dollar-a-year" men. Especially notable was Edward R. Stettinius, Jr., president of the United States Steel Corporation, whose father had been the chief purchasing agent in the United States for the Allies of World War I. Stettinius began with several major executive posts during the preparedness era, became head of the Lend-Lease Administration during 1941-1943, then Undersecretary of State, and finally, in 1944, upon the resignation of Cordell Hull, he was appointed Secretary of State.

Another able and loyal executive drawn from big business was Donald M. Nelson, head of Sears, Roebuck and Company, who was chosen in January, 1942, to take charge of the War Production Board. He had the critical task of converting most of the country's factories into war plants. His control over essential war materials gave the WPB a dominating position in the total economy. The chief weapon of control was a system of priorities which diverted vital goods and materials to war uses and thus made it difficult for nonessential industries to exist. To meet the rubber crisis due to Japan's capture of the East Indian rubber plantations, a special program was set up in September, 1942, within the WPB under William M. Jeffers, a native Nebraskan who had risen from office boy to president of the Union Pacific Railroad. This vigorous Rubber Director speeded up the production of synthetic rubber and the reclaiming of old rubber, although the shortage did not disappear until the war ended. Gasoline and tire rationing went far to reduce the consumption of rubber by discouraging pleasure driving.

The War Shipping Administration exceeded the proud production record of World War I, thanks to new technological develop-

ments as well as brilliant leadership. The most astonishing maker of ships was the versatile Henry J. Kaiser. He had earned a reputation for his direction of mammoth construction projects such as the basic sections of Boulder Dam, the San Francisco Bay Bridge, and Grand Coulee Dam. His interest in shipbuilding was fairly recent, beginning in 1940–1942 with yards acquired in California and Oregon. His prefabrication methods and “ship assembly lines” made him one of the leaders who built Liberty Ships eventually in fourteen days instead of 355 as in prewar times. Critics argued that Kaiser had nothing to lose and everything to gain from extravagant methods under the inducement of “cost-plus” contracts and generous RFC loans which enabled him to outbid other employers for labor and materials. His ships, admittedly, were not built to stand for all time, but they amply fulfilled their war mission.

Within a year or two of war, farm surpluses disappeared and shortages developed. Farm workers took the high-paying factory jobs in preference to working at the relatively low wages fixed by bureaucrats at the instance of the farm bloc. Mexican workers were imported in large numbers, farm hands were enticed to stay where they were by the offer of draft deferment, and women and boys took over the work of men. Instead of relying upon Herbert Hoover’s voluntary methods of food control, the government resorted to strict rationing even at the immediate consumer’s level.

In Congress, the farm bloc recalled the lessons of 1916–1921, when agriculture had gone through a great boom-and-bust cycle. They fought the anti-inflation policy of the Department of Agriculture, which persisted in “rolling back” food prices and fixing price “ceilings.” But the farmers failed to have their way of allowing prices to reach high competitive levels during this era of tremendous demand. Critics of the farm bloc pointed out in 1943 that the farmer was already receiving fifty-eight cents of the consumer’s dollar, a record that had not been reached since 1917. Roosevelt’s veto halted the farm bloc’s efforts to curb the anti-inflation program. Although farm population declined during the war, production rose rapidly owing to technological changes, excellent weather, and the incentive of high prices. Farm income reached new high levels and farm mortgage debt fell rapidly—except where new debts were contracted to expand acreages.

War Taxes

Congress had to solve the knotty problem of paying for the most expensive war in history without destroying the incentives needed for maximum production. The military cost to the United States of World War I now seemed trifling, a mere \$32 billion as compared with the \$330 billion spent for the Second World War. High taxes, it was expected, would not only help pay for the war but check inflation by absorbing the excess purchasing power of a fully employed people at a time when civilian goods were relatively scarce. As a result, the new federal tax rates affected about one person in every three instead of one in forty or so as in prewar days.

Naturally tax rates soared for individuals and corporations far beyond the averages of World War I. In addition, Congress imposed a 5 percent Victory Tax on gross annual income over \$624 and steeply raised normal and surtax rates. Exemptions were slashed repeatedly in the successive revenue acts and the tax burden was greatly increased for inheritances and gifts. The 1943 corporate taxes, which included a 90 percent excess profits tax, cut profits greatly. One wise provision of this law permitted corporations to receive later refunds on their wartime excess profits tax payments to cover postwar losses and aid reconversion. This was intended to avert a postwar crash by enabling industry to adjust itself to the inevitable end of war orders. To facilitate tax payment the Treasury applied a "pay-as-you-go" plan beginning in 1943, which required firms to withhold employees' income taxes in paying salaries and wages.

Congress became more conservative in its economic philosophy during the war because the voters defeated many a New Dealer during the elections of 1942 and 1943. The majority was definitely unwilling to go as far as Roosevelt in placing the burden of the war upon the generation which fought it. Borrowing seemed a less painful expedient politically than taxation. Once more, as in World War I days, the nation witnessed the fullest fanfare of publicity, marked by motion-picture caravans and other spectacles, to sell war bonds to the public. In eight war-bond issue drives nearly \$157 billion worth were sold, though mostly to corporations and banks. By the end of the war, the federal debt, which had been only \$25.6 billion immediately after the First World War and \$56.3 billion in

1911 following the New Deal's social expenditures, rose to the unprecedented sum of \$252.7 billion. But it was encouraging to note that even allowing for inflated prices and a larger population the national income per capita was increasing at a rate that promised liquidation of the debt in a reasonable time (so it seemed until the Korean War)—barring more wars. The national income had been only \$87.4 billion in the peak prosperity year of 1929; then it fell to \$39.6 in the worst depression year of 1933, rising to \$73.6 in 1937, to \$103.8 in 1941, and to \$182.8 in 1945; and the upward trend showed every sign of continuing for some time thereafter.

The Battle for Price Control

High taxes and mammoth bond sales alone did not dissipate the specter of runaway inflation. Only the revival of full peacetime production of civilian goods could end the danger that prices might skyrocket beyond the means of the average man and woman. Besides, inflation raised the cost of war supplies to the government and led to still higher taxes and borrowings. By December, 1941, food prices had risen 61 percent above the pre-1939 level. Wage agreements were becoming obsolete almost as soon as they were concluded. The Office of Price Administration, born in April, 1941, tried to keep the prices of basic war materials down by means of voluntary agreements but it lacked the authority to go farther against inflation. Congress was inclined to follow the farm bloc's program to protect agricultural prices and resisted administration pressure to stabilize the cost of living. Roosevelt's political strength was weakened by the tendency of consumer groups such as labor to move during wartime while the farm vote, largely opposed to him, was relatively stable owing to draft deferments.

In January, 1942, Congress finally passed the Emergency Price Control Act, which authorized the OPA to fix price and rent ceilings. The OPA issued in May a General Maximum Price Regulation establishing price ceilings for consumer goods. An additional step to halt inflation as well as to coördinate all war production was the creation in October, 1942, of the Office of Economic Stabilization. Justice James Byrnes of the Supreme Court was appointed Director of the OES and empowered as "economic czar" to formulate basic policy for the entire mobilization front. He was regarded as an "as-

sistant President" ready to carry some of the accumulating administrative burdens that rested upon Roosevelt's shoulders. Efforts were made to stabilize wages as well as prices. Since price ceilings did not protect the country adequately against hoarding and panic buying, the system of rationing was added. American housewives had to learn how to manage with their allotted ration coupons just as Europeans had long been doing.

Price control was difficult to apply because low ceiling prices would often lead to the total disappearance of essential goods; manufacturers might turn to making less important products or even luxury goods which allowed greater profit margins. Errors in pricing one major commodity might drastically affect the supply of many other goods. Pressure groups forced the resignation of the Director of the OPA, Leon Henderson, a noted economist. Many "long-haired professors," too mindful of consumer interests, were ousted in 1943, when Congress refused to pass the War Agencies Act unless the "theorists" were replaced by men "qualified by experience in business, industry, or commerce." Anti-New Dealers sometimes charged that Roosevelt was using the war as a front behind which to socialize the nation's economy.

Until May, 1943, inflation grew alarmingly worse. Living costs rose 27 percent above prewar levels. The administration turned to more herculean methods of price control such as subsidizing price "roll-backs" to consumers, ordering stricter price control, and rationing many more commodities. Roosevelt urged ever-heavier taxes and tighter restrictions upon installment buying. He vetoed an inflationary farm bill and issued a "hold-the-line" order on wages and prices that brought some results. Thereafter, prices began to stabilize and the cost of living rose no more than 1 percent.

Wartime Labor and Inflation

Shortly after Pearl Harbor Roosevelt called representatives of the CIO, the AFL, and industry to a conference at Washington. The outcome was that labor signed a "no-strike pledge" for the duration and industry agreed not to use lockouts. The conference recommended the establishment of the National War Labor Board, whose members were to be drawn equally from labor, industry, and the consumer interest. The authority of the WLB to stabilize wages was

put to a severe test when the United Steel Workers of America, a CIO affiliate, demanded a raise of one dollar a day in the smaller steel plants. In a major policy-making decision of July 16, 1942, the Board granted a 15 percent increase to cover a proportionate rise in the cost of living between January 1, 1941, and May, 1942. This became known as the Little Steel formula and was extended by Roosevelt to other industries. But as prices continued to rise, labor discontent mounted and the WLB was swamped by petitions for wage increases. Wildcat strikes accounted for most of the three thousand serious work stoppages in 1942, that involved approximately 840,000 employees.

During the critical 1943 war over inflation, the AFL and the CIO tried to have the Little Steel formula set aside. The doughty warrior John L. Lewis and his United Mine Workers rebelled against the Little Steel formula as responsible for extreme hardships due to rising living costs. When Lewis threatened a nation-wide strike, Roosevelt ordered Secretary of the Interior Ickes to take over the mines. Antiunion forces in Congress, profiting by the widespread condemnation of strikes during wartime, took this opportunity to pass the Smith-Connally Act over the President's veto. This War Labor Act empowered the WLB to require thirty days' notice in advance of taking any strike vote; and the vote, if taken, was to be secret and under the supervision of the NLRB. However, if the President considered the war effort seriously affected, he could seize the plants. The same act struck at the rising political power of labor by forbidding unions (and corporations also) to make campaign fund contributions as they had in the past. More restrictive legislation was to come in the post-war years in the long-delayed reaction against the sudden rise of organized labor to commanding power.

In 1943 Roosevelt intervened in the national railroad dispute. He put all the railroads under Army control in order to avert a catastrophic walkout on the eve of D-day in Europe. Much more publicized was the Montgomery Ward case. On April 25, 1944, the President ordered troops to Chicago to take over the large mail-order house of Montgomery Ward and Company after its chairman, Sewell Avery, defied an order of the NLRB to continue its contract with the local union. Avery stood on his constitutional rights and denied that his firm had any war contracts; he was finally carried out bodily. The

NLRB held an election to determine the union preferences of the employees; the CIO won and the troops were withdrawn.

Eliminating Internal Enemies

Recalling the Red hunt of the last war, liberals were anxious to see the administration reconcile internal security with civil liberty. Although the Alien Registration Act of 1940 exposed a potential danger when it revealed that almost five million residents were not American citizens, the Federal Bureau of Investigation under J. Edgar Hoover found the problem far less serious than anticipated. For one thing, the unswerving loyalty to the Soviet fatherland of American Communists led these potentially disloyal persons to devote their efforts to spurring on the war effort, discouraging strikes, and blocking other activities which might hamper the United States as an ally of Russia. Relatively few Italian-Americans felt sufficiently enthusiastic about Mussolini and fascism to become implicated by plots against this country. Thousands of suspect German-Americans were interned, but the decline of immigration from that country since the twenties left only a small unassimilated group available for Nazi activities.

The worst blot on the record of civil liberties in this country was left by those who mistakenly decided to evacuate from the west coast 110,000 men, women, and children of Japanese ancestry despite the fact that nearly two-thirds of them were born in the United States. Congress was swayed not only by dubious reports of Japanese-American disloyalty but also by outright racist arguments that suggested that Japanese blood constituted an unassimilable factor. Thus the tragedy of Evangeline and the French Acadians was reenacted in the twentieth century. The evacuees were taken to inland relocation centers, at which a large measure of self-government was encouraged. However, the exodus was carried through so quickly that the Japanese-Americans were forced to sell their properties at a loss. When the internees were released the federal policy was to disperse them throughout the eastern cities rather than to return them to the hostile west coast. This involved a painful period of readjustment; many preferred to take their chances back along the west coast which they knew best and revived the old Little Tokyos in Los Angeles and elsewhere.

Federal agents and courts quickly nipped the lush prewar growth of Nazi "front" organizations and their sympathizers. The arrogant German-American Bund was dissolved, its leaders were jailed, and many of its naturalized members lost their citizenship. FBI agents moved against William Dudley Pelley's fascist Silver Shirts, the pro-Coughlin Christian Front, the "Crusaders," and other subversives. Father Coughlin's *Social Justice* continued to attack the British, the Jews, and Roosevelt until Postmaster General Frank C. Walker, himself a Catholic, took steps to revoke its vital second-class mailing privileges, whereupon it was withdrawn from circulation. George Sylvester Viereck, avowed propagandist for the Kaiser in World War I, was imprisoned for similar activity in behalf of Hitler. Over five hundred Axis-controlled businesses were impounded by federal officers during 1941-1942.

The most sensational roundup of all was the FBI's arrest of eight German agents, completely equipped for two years of sabotage, who were landed on the Atlantic coast by two submarines. Convicted before a secret military tribunal of seven generals appointed by Roosevelt, six of them were electrocuted and the other two were given long prison terms. In the light of the cautious procedure used against internal enemies, the American Civil Liberties Union in its report, *Freedom in Wartime* (1943), praised the "commendable restraint" of the Department of Justice. They compared present conditions with the hysteria, anti-German mob violence, and suppression of free discussion characteristic of World War I.

Race Tensions During the War

Axis propagandists delighted in thrusts at the weakest link in our democratic armor—the status of the Negro. As in World War I, Negroes moved in large numbers from rural areas to the industrial cities, especially in the North. During 1940-1943 the black belt in Norfolk, Virginia, grew by over 200 percent; in Charleston, South Carolina, by 39 percent; in Los Angeles, by 30 percent; in Chicago by 20 percent; and in Detroit, by 19 percent. Citing the slogans of a democracy at war, Negro newspapers and organizations demanded the end of racial discrimination in the armed forces and in factories engaged in war work. Roosevelt, who enjoyed considerable Negro support, averted a march on Washington by some fifty thousand

colored citizens in 1941 by issuing an executive order forbidding discrimination in war plants. A Fair Employment Practices Committee, headed by sympathetic leaders, was set up to cope with Jim Crowism in industry. Although the FEPC did not outlast the war, it furnished the inspiration for a host of state and local laws to the same end.

At the same time the Army commissioned nearly 7800 Negro officers and the Navy lowered certain of its rigid barriers for colored sailors. Such action came belatedly as Negro troops at the front distinguished themselves for bravery, particularly in the Negro Ninety-Second Division. But patriotic Negroes were hurt by the gratuitous insult of 1941 when it was learned that the Red Cross segregated the blood of Negro donors, despite the assurances of medical men that the policy was completely mistaken.

Race tensions, North and South, increased. The situation was very acute in crowded Detroit, where the hard-pressed white workers resented the new federal housing projects for the even harder-pressed Negroes. The heavy influx of Negroes into the hovels of Paradise Valley in Detroit overflowed into hitherto restricted areas and enraged white property owners. Furthermore, the upgrading of Negro employees in the auto plants led to wildcat "hate" strikes in protest. Among the obscurantist elements were recently arrived southern whites, some of them Klansmen, but not a few of the bigoted men were of European origin.

The riot that had been freely predicted in the Detroit press for over a year began suddenly on June 20, 1943, with isolated fist fights and exaggerated reports of atrocities on both sides. Hundreds of sailors on leave and hoodlums clashed with infuriated Negroes. Since the police seemed powerless, Michigan's governor appealed to Roosevelt for federal troops which put an end to the rioting. At least twenty-five Negroes and nineteen whites were killed and hundreds more were seriously injured in the worst race riot since 1919. Local officials blamed the Negro press, but some objective reporters thought that the race tension was rooted in glaring economic and social inequalities as well as the usual race prejudices.

The wartime arrival of many thousands of Mexicans to take positions in factories and on public construction projects aroused native hatreds in southern California. Early in June, 1943, over a thousand servicemen and other young men attacked "zoot-suited" Mexican

boys in Los Angeles' decayed Main Street district. These clashes owed much to an irresponsible local press which had featured stories of repeated assaults upon young couples by gangs of Mexican-Americans. Actually the most vicious gangs were not Mexican. Such delinquency as did exist among them could be easily explained in terms of their background of extreme poverty, race discrimination, and the absence of normal recreation facilities.

Family Disorganization and the School

Total war had an unfortunate effect upon the stability of the family. Fathers were frequently away at the front, mothers spent their days in the factories, children were left with considerable time on their hands, and the social conditions for juvenile delinquency flourished. A report of the Federal Children's Bureau disclosed a 31 percent increase in juvenile delinquency in 1943 over the high figures for the previous year. Family restraints were weakened in a mobile population that settled briefly in one industrial center after another. Working mothers, intensely crowded housing conditions, war marriages (these grew from a rate of eight or nine per thousand during depression years to twelve or thirteen), and the disruption of family life contributed to abnormal situations. Women made up at least 36 percent of the civilian labor force by 1945 and some 3.5 million of teen-agers were fully employed. Many young wives followed their soldier husbands to training centers and tried to make a home despite the absence of normal living facilities. Prostitution and sexual promiscuity flourished as they usually do in time of war. Government housing projects could not meet the heavy demand for living quarters; and the building of private homes was impossible because of the scarcity of materials. Tire and gasoline rationing restricted wholesome recreation and left many rural communities isolated.

The war hurt the schools, for many children put in long hours at adult jobs in restaurants and stores. Some even drove trucks. Educators added many technical subjects, but there were too few teachers to handle them. High schools organized Victory Corps to guide boys into occupations useful for the war effort. Many college and university campuses were deserted during 1942, but enrollments revived with the sudden influx of men from the armed forces who came for officers' training courses and other technical work. Quality suffered

because the courses were streamlined in the interest of haste. On the more optimistic side could be noted lasting gains in the efficient methods of teaching foreign languages and in the success of "area courses" in broadly understanding the people of a specific country.

Despite four decades of national emphasis upon vocational subjects, the armed services lacked technically trained men—only 15 percent of the inductees had this type of training. Hence they were compelled to train men for modern mechanized warfare, which required that over 50 percent of the armed forces be skilled in mechanics, radio, aviation, the natural sciences, and other technical fields. However, the educational average of the draftees was high compared with that of soldiers in other armies and in our own forces of 1917–1918. At least 41 percent had graduated from high school as against the 9 percent in World War I. Rather chastening to educators was the common observation that these young men were woefully deficient in geography, especially that of the Far East. Even more serious were the findings of the public opinion polls that too many soldiers had no clear idea of the cause and the ideals that they were serving.

The Fourth-Term Election: 1944

Wartime prosperity weakened the New Deal coalition. In the congressional elections of 1942, the Democrats lost thirty-four seats in the House, which left them a slim majority of five; they also lost eight seats in the Senate, which raised the Republicans to thirty-eight as against fifty-seven Democrats and one Progressive. While the Republicans jubilantly counted upon taking the White House in 1944, the Democrats feared that nothing less than a "draft Roosevelt" movement could halt the tide. The Gallup poll of June, 1943, reported that 56 percent of the voters were ready to give Roosevelt a fourth term if the war continued, but 69 percent would vote against him if peace came. Pollsters discovered an underlying wave of dissent among Southerners. The tendency of the Negro vote to go to the New Deal seemed to destroy one of the basic reasons for a solid Democratic South. Southerners who were polled underlined the administration's "poor handling" of the labor situation, bureaucracy, too much equality for Negroes, and injustice to the southern farmer.

Roosevelt made clear that the war had not killed the New Deal. In his annual message to Congress on January 11, 1944, the President

took issue with Congress for rejecting Morgenthau's proposals to raise war taxes according to ability to pay. He demanded "a realistic tax law—which would tax all unreasonable profits, both individual and corporate, and reduce the ultimate cost of the war to our sons and daughters." He also asked for the renegotiation of war contracts to prevent exorbitant profits. Finally, he called for a "second bill of rights." Political rights, he held, were not enough. "Necessitous men are not free men." This plan specified "a useful and remunerative job," social insurance, including sickness and accident protection and adequate medical care, and the "right to a good education." He added that the government should also be concerned with helping the farmer receive a fair return for his services.

The month of April, 1944, witnessed the elimination of two Republican presidential candidates, Wendell Willkie and General Douglas MacArthur. Disregarding all dictates of political expediency, Willkie staked his hopes on open war against the isolationists of his party, who were championed by the *Chicago Tribune*. Making the Wisconsin primary campaign the focus of his preconvention battle, he stumped the state exhaustively, delivering some twenty-five speeches in thirteen days. However, his Republican rivals defeated him so overwhelmingly that he felt compelled to withdraw his name from the race. His sudden death the following October ended the meteoric career of a man whose magnificent courage and idealism had come to be increasingly appreciated. The second Republican hope to retire from the race was General MacArthur. The fact that he was engaged in fighting the Pacific war and that he lacked adequate political support led him to withdraw his name on April 19.

The somewhat listless Republican convention that met in Chicago during an unbearably hot week in June nominated Thomas E. Dewey for President on the first ballot and his zealous but unsuccessful rival, Governor John Bricker of Ohio, as Vice-President. Bricker had attracted Republican advocates of economy in government by his refusal to call a special session of the Ohio legislature to aid Cleveland during that city's relief crisis; this problem, he maintained, should be handled by the cities, not the state. He cited his record in balancing Ohio's budget (critics questioned his methods) as an example of what could be done on a national scope. The Republican platform did not differ fundamentally from the platforms upon

which Landon and Willkie had run, although its advocacy of "organized international cooperation" proved too nebulous for Willkie and eventually drove Republican Senator Joseph Ball of Minnesota to vote for Roosevelt. "Four years more of New Deal policy," read the platform, "would centralize all power in the President and would daily subject every act of every citizen to regulation by his henchmen." As in preceding presidential campaigns, the Republican platform accepted the major social reforms of the New Deal but criticized their administration as partisan, bureaucratic, and wasteful. It proposed a constitutional amendment limiting the President to two terms of four years each, demanded the abolition of the poll tax, and called for federal antilynching legislation. In his acceptance speech, Dewey lashed out at the "tired and quarrelsome" administration and promised to drive it out of power.

The Democrats also met at Chicago, but their convention was marked by more internecine feuds, which crystallized about the vice-presidential contest. Many southern delegates, dissatisfied with the New Deal's CIO affiliation and its antisegregation policies for Negroes, were outraged by Vice-President Wallace's emphatic dictum, "The poll tax must go!" Conservatives in Texas, Mississippi, and South Carolina had even threatened, if Roosevelt was nominated, to name Democratic electors not pledged to cast their electoral college votes for him. Roosevelt himself had had to beat a hasty retreat a few months earlier when his Senate floor leader, Alben Barkley of Kentucky, usually considered a staunch administration man, resigned his post (he was immediately chosen again) rather than carry out the President's sweeping war tax policies—an incident which reflected the anti-New Deal tide in Kentucky and other southern states.

Roosevelt secured the anticipated endorsement on the first ballot, but the struggle for the vice-presidential nomination was not settled so quickly. In one letter to the Democratic national chairman, the President endorsed Wallace and said that he did not "wish to appear in any way as dictating to the convention"; but in another note he declared himself also ready to accept Senator Harry Truman or Associate Justice William O. Douglas. It may be that Roosevelt was forced to drop Wallace as a concession to the South and to the urban machine "bosses" who regarded the uncompromising Iowan as a political liability. Nevertheless Wallace, convinced that this was a struggle for the survival of the New Deal against the Bourbonism within

his party, persisted in battling for the nomination with the support of Sidney Hillman's new CIO-sponsored Political Action Committee. After showing unexpected strength on the early ballots, he lost to the compromise candidate, Senator Truman of Missouri. Truman, although at one time associated with the Pendergast machine in Kansas City, was undoubtedly a New Dealer of considerable experience and ability.

In an unusually strenuous campaign—the first wartime presidential election since 1864—Dewey scored the “fourth-term candidate” and the bankruptcy of the former idealism of the New Deal. charged that Roosevelt had failed to prepare the nation adequately for a war he had forecast, and characterized the President's foreign policy as personal, secret, and unpredictable. He repudiated the extreme isolationism and intolerance of such men as Hamilton Fish and Gerald L. K. Smith. His adherents branded the New Deal Red because the Communists and the Political Action Committee of the CIO were backing Roosevelt and Truman. In conservative Evanston, Illinois, Republican leaflets read: “Sidney Hillman and Earl Browder's Communists Are Registered. Are You?”

Roosevelt sought to offset Dewey's appeal of youth by stressing the need for experience in winning the peace as well as the war; he also elaborated on his “economic bill of rights.” He won some Willkie Republicans like Senator Ball by advocating that the American delegation in the United Nations Council should be empowered in advance by Congress “with authority to act” in time of crisis. He and his supporters warned internationally-minded citizens of both parties that, in accordance with congressional rules of seniority, a Republican victory would automatically elevate Hiram Johnson, veteran isolationist, to the chairmanship of the Senate Foreign Relations Committee—a reminder of Henry Cabot Lodge's successful obstructionism in that key position; that another isolationist, Gerald P. Nye, would become chairman of the Senate Appropriations Committee; and that Hamilton Fish would succeed to the chairmanship of the House Rules Committee. The PAC, convinced that Roosevelt's victory hinged upon a large registration in the urban areas, concentrated on registering working-class voters in Chicago, Detroit, and Cleveland in order to carry the doubtful states of Illinois, Michigan, and Ohio, where rural voters tended to go Republican.

Despite some delay occasioned by the record-breaking vote and ab-

sentee soldier ballots, it soon became clear that the President had won the election by the overwhelming electoral vote of 132 to 99 (Willkie won 82 in 1940); his popular vote, however—25,610,946 to 22,018,177—was much closer than in 1910. The urban-rural cleavage was apparently sharper than ever, for the states carried by Dewey—Wyoming, Colorado, North Dakota, South Dakota, Nebraska, Kansas, Iowa, Wisconsin, Indiana, Ohio, Maine, and Vermont—were largely in the western farm and cattle areas. The Democratic vote in the cities, especially New York, Chicago, and Detroit, offset Dewey's strength in the rural counties. Reassuring to the President was his party's gain of twenty-one seats in the House and its unbroken control of the Senate, fifty-seven Democrats to thirty-eight Republicans and one Progressive. The Republicans managed to retain twenty-three governorships instead of their former twenty-six.

Those who feared that American voters might turn the clock back to the isolationism of the 1920's were relieved to see the wholesale defeat of extreme isolationists like Representatives Stephen A. Day of Illinois and Hamilton Fish of New York and Gerald P. Nye, the veteran Senator from North Dakota. The Political Action Committee of the CIO, which had concentrated its attack on these isolationists, claimed credit for the result and announced that this political organization would become permanent. Isolationists actively backed by the *Chicago Tribune* were likewise beaten. The primaries and local pressure had already eliminated Senators Bennett Clark of Missouri and Robert R. Reynolds of North Carolina and Representative Martin Dies of Texas. Massachusetts, which went strongly Democratic, nevertheless gave a huge majority to Leverett Saltonstall, the internationally-minded Republican candidate for the Senate. Jubilantly the *New York Times* observed, "With considerable discernment the voters winnowed out isolationists, both Democratic and Republican, and sent men to Congress who are committed to American membership in an international organization." Here was the popular mandate which James Cox and young Franklin D. Roosevelt had sought so vainly in 1920. It remained to be seen whether Woodrow Wilson's idealistic aspirations for world peace could be resurrected on an international scale after a quarter of a century in which nationalism and totalitarianism had been rampant.

Chapter 22

ERA OF THE COLD WAR: 1945-1954

Two Worlds

Scarcely had the war ended before the West shifted its attention from the defeated Axis powers to the revolutionary power of Russian-inspired communism. In eastern Europe and the Balkans, Hitler's war left a grim heritage of starvation, ruined homes and factories, and displaced peoples. With the Red Army occupying eastern Europe up to the Elbe, Moscow-trained agents felt free to take advantage of the unrest to stir up a social revolution. Even non-Communists and nationalists, who looked upon the Russians as liberators, were ready to cooperate with the Communists in a crusade to destroy landlordism and endemic rural poverty, the twin evils of eastern and southern Europe and of Asia. The dream of becoming small landowners seemed on the point of realization through the instrumentality of Russia. By the time disillusionment with the liberators set in, it was too late: the Iron Curtain had descended.

Russian satellites mushroomed in eastern Europe—Poland, Rumania, Bulgaria, Hungary, Albania, and, until Tito rebelled, Yugoslavia also. Greece, torn by civil war, seemed in danger of being swallowed by the Communist wave. Even in Italy and France Communists could reckon their membership in the millions. In Czechoslovakia, where the Red Army had marched triumphantly as liberators through the capital city of Prague (after warning the United States generals to stop at Pilsen), communism captivated a very large minority. Meanwhile, the Kremlin denied that it was fostering world

revolution, insisted that most of the postwar eastern European governments were genuine democratic coalitions, and cited Lenin to prove that their leaders believed in the peaceful coexistence of communism and capitalism.

In Europe and Asia, Stalin and the Politburo showed that they were as keenly alive to strategic advantages as the Romanovs had been. The military vacuum left by the defeat of Japan and Germany was speedily filled by Red troops and justified in Moscow on the basis of the agreements made at Yalta and Potsdam. While the Allied armies demobilized in response to home pressures, the Red Army delayed its withdrawals (when they were actually made) until their domination of an occupied region was assured. Huge landlocked Russia, weak in internal transportation, still sought ice-free ports in the Pacific and the Mediterranean. Again as in 1911 she hoped to control the Turkish Straits and the Black Sea. The oil of Iran was even more important in this mechanized age than in Czarist days, when it had been appropriated by an Anglo-Russian deal. Finally, communism had supplanted Pan-Slavism as a tool of Russian penetration into the Balkans and eastern Europe.

Roosevelt had been hopeful that a broad basis for agreement with Russia existed, despite doctrinal differences. But, although ready to concede that the USSR had special defensive interests in eastern Europe, he had insisted at Yalta that Poland, Rumania, and Bulgaria were to be ruled by a democratic-Communist coalition, not as Red satellites. He had refused to recognize Russia's absorption of the former Czarist states of Latvia, Lithuania, and Estonia, but raised no challenge to the *fait accompli*. On the day Roosevelt died, April 12, 1945, he had sent a message of advice to Churchill on the Polish issue and other Russian problems in which he said, "I would minimize the general Soviet problem as much as possible because these problems, in one form or another, seem to arise every day and most of them straighten out. . . . We must be firm, however, and our course thus far is correct." Whether this tolerant view would have continued unchanged after 1945, had Roosevelt lived is hard to believe. His strong protests in regard to Poland, for example, suggest that Truman's policy was not an abrupt departure from that of his predecessor.

The Soviets had seldom concealed their distrust of the capitalist nations, believing that they were still bent as in 1919 upon their de-

struction. During the war, Stalin had angered Roosevelt by charging that the United States was negotiating a secret peace with the Fascists. Now the Russians charged repeatedly that it was the intent of the Americans to rearm Japan and Germany for a future war upon Russia. Soviet diplomats believed that they had found confirmation of their suspicions when Truman announced in 1945 that he was withholding atomic information from the world until international controls could be devised. Russian efforts to secure the atomic secrets were exposed in successive revelations of Communist spy rings in Canada, England, and within the United States.

Another part of the reiterated Soviet indictment of the American "imperialists" was the charge that the current Truman policy of building new naval and military bases in Asia and Europe were "clearly offensive in character." This was a distortion of the decision taken during the war to strengthen Pacific defenses and outposts elsewhere. A United Nations strategic trusteeship had been obtained in the former Japanese-mandated islands, the Marshalls, the Carolines, and the Marianas. Military bases had also been kept in the Philippines. These were aimed obviously at the possibility of a revived Japan. As the Russian danger grew, bases were built along the periphery of the USSR. Congress also voted liberal grants for the improvement of the eight Atlantic bases leased from England.

Postwar Relief and the Marshall Plan

Once more, as after the First World War, the task of caring for the distressed of Europe and Asia (though on a far greater scale) assumed political as well as humanitarian significance. Wilson and Hoover had stressed large relief appropriations by Congress as a major weapon to combat nascent communism among Europe's uprooted peoples; then too, relief loans were also influenced by the desire to maintain the momentum of huge wartime exports and thus avoid a depression. These props of self-interest supplemented genuine humanitarianism. Now, the United States, which had escaped actual want and physical destruction at home, was again expected to share her vastly increased food output and to bear most of the burden for the nations capable of acting as donors.

The Nazis had stripped Europe of surpluses; the fighting men had destroyed railroads, bridges, homes, and factories; and nature itself

had inflicted unusual droughts and crop failures through 1945-1947, especially in northern Europe and the Mediterranean. In China, India, and Japan mass starvation and disease reaped a grim harvest. Hoover, this time a food adviser to Truman, found that even the victorious nations were subsisting on starvation diets, and counseled voluntary cuts in American food consumption rather than continued food rationing and price controls. /

American relief poured into Europe, first through the military commanders in liberated and occupied areas and then through lend-lease shipments and UNRRA, which soon took over the major share of this task. Food exports from this country reached \$1,678,000,000 in 1945 and rose to \$2,172,000,000 the following year. Voluntary agencies like the American Red Cross and church groups provided clothes for 25,000,000 persons in 1945 and exceeded this total in 1946. The Gallup poll indicated that fully 85 percent of all Americans were ready to suffer shortages to supply Europe and Asia, but the political decision to drop rationing quickly handicapped adequate relief in this large-scale emergency. {

The United Nations Relief and Rehabilitation Administration (UNRRA), which had been established in November, 1943, eventually spent \$4 billion (of which this country contributed 72 percent) on food, supplies, epidemic control, and other forms of aid. UNRRA camps in western Germany, Austria, and Italy cared for 6,770,000 "displaced persons"—stateless and homeless refugees—in 1945 alone, finding new homes for many of them. The Soviet Union, which had won victories by the costly policy of scorching its own towns and villages in the face of the Nazi advance, was given a half-billion dollars in American relief. However, Congressmen, suspicious that Soviet agents were using UNRRA to build up Communist factions in eastern Europe, failed to appropriate sufficient funds to meet our full pledge to that agency; other member nations scarcely went beyond the first of the required payments. During Europe's critical months of 1946, American food deliveries dropped.

Toward the end of 1946, the State Department decided to scrap UNRRA altogether, despite the reasoned protests of former Director General Herbert Lehmann and his successor, Fiorello La Guardia. The State Department publicly charged UNRRA with political favoritism and gross inefficiency. Relief must not be used for milita-

rism or radical social experiments. Besides, it was claimed that the food crisis was over in most nations and that rehabilitation would be taken over by the new International Bank and the International Monetary Fund. However, the scuttling of UNRRA did not mean the end of humanitarian relief; rather, a new plan guaranteeing exclusive control by the United States over her relief expenditures was proposed. Critics deplored the destruction of an international agency like UNRRA in favor of unilateral action; but the State Department, like Congress, felt convinced that to continue UNRRA was to subsidize communistic factions in eastern Europe.

On June 5, 1947, Secretary of State George C. Marshall announced a new plan of large-scale economic aid abroad as a bulwark against the collapse of western Europe (an event which would endanger our own economy); moreover, stability would halt the advance of communism. Europe was in progressively worse straits as her wartime shortages in food and goods were aggravated by poor crops and disorganized economies. The newly signed peace treaties with Soviet-dominated Hungary, Bulgaria, and Rumania involved recognition of these semi-Communist regimes by the United States and implied defeat for our policy of confining communism to its older boundaries. In effect, Marshall called upon all friendly-minded European nations to decide independently and as a group upon their financial needs and to present these estimates for the consideration of the United States. However, Europe was expected to show how far she was ready to help herself before she would receive assistance.

(In September, 1947, sixteen European nations, including representatives of the Anglo-American combined zone in Germany, met in Paris to discuss the Marshall Plan. The western powers were anxious to benefit from American aid, but the Russians seemed convinced that Marshall intended to build a western military coalition against them and therefore kept the Slavic bloc of nations and Finland out of the conference. Besides, it was obvious to Moscow that a major purpose of the plan was to halt the spread of communism.) The Conference on European Economic Coöperation reported, "Industrial production in Belgium, France and the Netherlands was [now] reduced from 30 to 40 percent of pre-war and in Italy to only 20 percent; production of bread grains fell to only two-thirds of pre-war." Finally, it recommended credits and loans of \$21,780 million

over the period 1948-1951; of this total, the United States was expected to contribute \$15,810 million and Latin America and Canada were to offer the remainder. The International Bank, to which the United States was the chief contributor, and private investors were asked for additional credits of \$3130 million for machinery and other equipment. Haste was urged upon the United States as the only alternative to calamity.

Secretary Marshall, strongly supported by the President, advised Congress that prompt action on his European Recovery Plan was vital to save sixteen southern and western European states from Communist domination as well as economic chaos. He frankly conceded the risk involved in pushing this program against the resistance of Russia, but saw no alternative. This meant a fifty-one-month program of foreign aid, for which \$6800 million would be needed in the first fifteen months. State Department officials also pointed out that ERP would serve as a prop for our economy as deferred war demands tapered off, for continued heavy exports would be needed to perpetuate full employment and prosperity here. Congress, spurred on by current fears of Russia's designs as well as by humanitarianism, seemed generally favorable but was embarrassed by a partisan mood of economy during an election year. Some, like Taft, questioned the wisdom of a long-term commitment as well as the size of the sums requested; many were concerned by the impact of the anticipated exports on the grave inflationary situation. As a stopgap measure, Congress in December, 1947, voted winter relief of \$597,000,000 for France, Italy, Austria, and China.

Public opinion polls showed overwhelming support for ERP and discussion ended abruptly after the Red coup in Czechoslovakia. In April, 1948, Congress provided an Economic Cooperation Administration to supervise a four-year program, beginning with a twelve-month appropriation of \$5.3 billion, of which \$463 million went to China and \$275 million to Greece and Turkey for military aid; the remainder went to the original sixteen European nations and western Germany. Exports to pro-Soviet countries behind the Iron Curtain, especially of strategic goods, were to be curbed—a hazardous step economically in view of current trade necessities of eastern and western European nations; and American deliveries were to be partly balanced by the imports here of strategic European materials.

ERP was expected to be the most effective American move in the "cold war" waged against the Soviet Union since 1945.

Under the Marshall Plan and its successors, the United States provided about \$13 billion in assistance to the world between April 3, 1948, and December 31, 1951. It was given in an era when Britain, the traditional banker of the world, was no longer financially able to stabilize Europe's economy and American private investment abroad lagged greatly. America's high tariff and heavy export policy had been a factor in reducing Europe's ability to get the dollars needed to buy essential goods here. Economists urged Congress in vain to reduce the existing Hawley-Smoot tariff much more drastically than the reciprocal trade agreements were doing. However, American protectionists did not object to giving loans to Europe as a means of stimulating our exports and strengthening foreign trade.

All American foreign aid grants and credits between 1945 and 1952 aggregated \$35,022 million, of which western Europe absorbed the lion's share, \$25,795 million. Asia and the Pacific took \$6362 million; the Latin-American republics \$579 million; and the Middle East \$235 million. As a result, the ravages of war were largely repaired. By 1952, western Europe had raised its industrial output by 36 percent over the 1938 level and farm production had grown by 10 percent. Consumption had recovered at least to prewar levels despite an increased population. Those satellite nations whom Russia had forbidden to share in the Marshall Plan could look enviously at the good fortune of their neighbors. Strategically, the results had also been impressive, judging by the decline of Communist strength in France and Italy since 1945-1946.

"Point Four"

The Marshall Plan type of humane "dollar diplomacy" was urged by Truman for the entire world, this time emphasizing the permanent raising of the standard of living everywhere. In his inaugural address of January 20, 1949, the President suggested a highly significant "Point Four" program on his list of four major courses of action as a guide for foreign policy. He asserted that "we must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas." This meant technical aid and the encourage-

ment of private investment abroad. State Department experts hoped to stimulate the net annual private investments overseas, which were then running at about a billion a year, to at least \$2.5 billion.

The underlying philosophy of Point Four was not a program for a world community chest but held that relatively small federal expenditures could direct technical assistance abroad to raise the living standards of "backward areas." In southeastern Asia, for example, where tenant farmers and sharecroppers earned annually about \$25, many saw little to fear in communism. There seemed to be infinitely great human returns in small government sums for soil conservation, public health, irrigation, and technical training in such countries. The Point Four advocates envisaged in addition the stimulation of large private investments abroad through government leadership and guarantees against unusual risks; they also advocated tariff cuts, more reciprocal trade agreements, and modification of the existing farm price support system.

In May, 1952, Congress authorized the use of \$35 million for the first year's program of technical assistance; one-third of this sum was allocated to the United Nations Technical Assistance Committee. In June, the United Nations Economic and Social Council, representing fifty participating countries, pledged themselves to spend over \$20 million for soil conservation and technical aid projects during the next eighteen months. The United States gave \$12 million of this total. It remained to be seen how enthusiastically Point Four would be pursued as conservatives attacked it as a world WPA; communism, it was frequently argued, grew out of the conspiracies of intellectuals, rather than the pressures of poverty.

Germany: Menace or Ally?

On the chessboard of power politics, Germany played a pivotal role. Despite staggering war losses, her industrious, prolific, and over-disciplined people were quite capable of repeating the recovery that had followed World War I and perhaps of reëmbarking on the Hitlerian path of glory. Russia seemed at first justified in her resistance to any revival of German might, but her revolutionary tactics in East Germany and elsewhere frightened the Allies and led to a deadlock in the completion of any peace treaty for that country.

A Communist Germany could dominate Europe and threaten the security of the remaining free nations of the world.

Two months after Germany's surrender, Truman met with Stalin and Churchill during July 17-25, 1945, at Potsdam, near Berlin. This Tripartite Conference not only sought to settle the fate of Germany—the Declaration on Japan *followed* the Conference—but also entrusted a Council of Foreign Ministers representing the five principal powers to draft peace treaties for Italy, Rumania, Bulgaria, Hungary, and Finland. By this time, both American and British delegates had withdrawn the Roosevelt-Churchill endorsement, given at the Quebec Conference of September, 1944, of Secretary Morgenthau's plan for converting Germany to an agrarian state by removing her heavy industries and thus her warmaking potential. The Potsdam Declaration took middle ground by demanding the "elimination or control of all German industry that could be used for military production." Agriculture and "peaceful domestic industries" were stressed. An Allied Control Commission charged with the occupation was expected to break up "the present excessive concentration of economic power as exemplified in particular by cartels, syndicates, trusts and other monopolistic arrangements." This was aimed at the great German industrialists who had backed Nazi rearmament and aggression. Germany was to be treated as an economic unit during the occupation—a promise never kept because of Russian suspicions of the western Allies.

Russia, permitted by Yalta to compensate Poland for loss of eastern territory to the Soviets by a cession of western German lands, had agreed to a controversial clause which left the western boundary of Poland to be finally settled by the future peace treaty; but she came with a *fait accompli* which gave the Poles immediate control of that area. This opened a prolonged quarrel between east and west among the Allies. Again, the Russians wanted \$10 billion in German reparations to offset their enormous losses from the Nazi invasion; this sum Roosevelt had been willing to consider "as a basis for discussion" at Yalta, according to Byrnes, but the Russians asserted that such reparations had been promised them. The Conference formula was that these payments were "to leave enough resources to enable the German people to subsist without external assistance"—another source of later controversy.

The Big Three at Potsdam declared as their policy:

German militarism and Nazism will be extirpated and the Allies will take in agreement together, now and in the future, the other measures necessary to assure that Germany never again will threaten her neighbors or the peace of the world.

It is not the intention of the Allies to destroy or enslave the German people. It is the intention of the Allies that the German people be given the opportunity to prepare for the eventual construction of their life on a democratic and peaceful basis.

Germany was stripped of all Nazi-annexed territories and lost part of East Prussia to Russia and another part—her “bread basket”—to Poland. Within her present restricted boundaries she was compelled to receive millions of Germans from abroad, many of whom had agitated for Nazi aims in Poland, Czechoslovakia, and Hungary. This transfer was to be made “in an orderly and humane manner”—a forlorn hope. Details and final approval were left for the future peace treaty.

Eventually Germany was divided among the four occupying powers. United States forces, first under Eisenhower, then under General Joseph T. McNarney, occupied the southwest, which included Frankfurt, Munich, and Nuremberg. The northwest, including Cologne, Aachen, and Dusseldorf, went to Britain. The fertile east—particularly Saxony, Thuringia, Anhalt, and Mecklenberg—was left to Soviet policing. The French, who had been neglected at Potsdam, were stationed on either side of the Rhine and controlled the rich Saar Basin, which they hoped to keep. All four powers shared in governing Berlin. This zonal division of Germany, contrary to the Anglo-American plans of economic coöperation for the country, remained a series of economic barriers as well as political-military lines, largely because of the Russians, and tended to cripple further the ruined country and to worsen existing shortages of food and materials. In 1946 the British and Americans combined their zones into “Bizonia” for economic coöperation, but the Russians refused to join and the French hesitated.

Soviet authorities, disappointed in the poor returns obtained from dismantling German factories as reparations, chose to take further compensation out of current German production—a step strongly

protested by Americans and Britons as certain to prevent German recovery and likely to put increased relief burdens on the western powers. On May 25, 1946, the American authorities halted further reparations shipments to Russia from the American zone, which led to an acrimonious exchange. Byrnes complained that the Russian insistence on isolated zones was largely responsible for the American taxpayer's spending \$200 million annually to support our zone in Germany, which had never been self-sufficient.

Another basic divergence of views appeared in the controversy regarding the allowable steel production for Germany. Russia and France were anxious to keep German industrialization at as low a level as possible; but the Americans and British, undoubtedly influenced by fear of future Russian expansion, had no intention now of reducing Germany to an economic cipher and argued for a relatively high steel production quota to aid Germany's early recovery and thus promote western Europe's economic stability and halt Communist inroads. So far did Secretary Byrnes go in urging Germany's recovery as an economic and political factor in European affairs that in his Stuttgart speech in September, 1946, he called for the early creation of a provisional government.

Reporters investigating the temper of the defeated people found little by which to justify such optimism as shown by Byrnes. If a sense of guilt and atonement was essential for Germany's rehabilitation, this was notably lacking. The sensational Nuremberg trials of Hermann Goering and twenty other Nazi leaders, intended as a grim day of judgment, produced little mass reaction. Revelations of inhuman scientific experiments, the callous enslavement of foreign workers, and the calculated wholesale murder of at least six million people did not arouse the expected revulsion. Some observers attributed this to the average German's absorption in the harsh task of survival. Justice Robert Jackson, American chief prosecutor, did effective work in presenting the Allied sense of outrage at the proved atrocities to those who listened. He expected that the Nuremberg trials would strengthen international law and set precedents against clear-cut military aggression, useful for the control of the atomic bomb. The Kellogg-Briand Treaty (the Pact of Paris), which renounced war as an instrument of national policy, was cited by Jackson as a legal basis for these unprecedented trials.

Whatever the real psychological results, "denazification" by the occupying powers produced major changes in the cultural institutions of Germany. Despite a shortage of non-Nazi teachers, objective textbooks, and politically reliable civil servants, the American authorities worked vigorously to oust Nazi officials on Eisenhower's original directive that there was "no indispensable Nazi."

Secretary of State Marshall, who had recently succeeded Byrnes, declared in April, 1947, at the Moscow Conference of Foreign Ministers that his country, Britain, and France wished to see a unified but federal Germany with strong state governments possessing reserved powers and capable of checking any centralized dictatorial group at the helm. But the Russians argued for a strong centralized government—a plan suspected in the west as offering a Trojan horse for a Communist Germany. To meet Russian fears of a future German attack upon them, Marshall offered the Soviets a security plan, originated by Byrnes and favored by Britain and France since 1945, for a four-power alliance guaranteeing the disarmament and demilitarization of Germany for forty years. This resembled the ill-fated Franco-American alliance project of Woodrow Wilson in 1919 which was not even considered by the United States Senate. Although Stalin had once agreed to the security plan in principle, Molotov showed increasing coolness to any proposal which kept American forces in Europe and insisted on preliminary agreements that included more reparations to Russia.

In the ensuing years of deadlock, Eastern Germany was regimented into a full-fledged Russian satellite while Western Germany became a parliamentary democracy closely allied with the United States, Britain, France, and other nations of the free world. Trade between the two halves of Germany declined; clashes were frequent between Communists and non-Communists in Berlin; about three million refugees from the East zone crossed into West Germany despite frontier guards; and kidnappings of active anti-Communists in the West Berlin sector were commonly reported.

The worst incident in the German cold war was the Berlin blockade of 1948–1949, which, it was then feared, might precipitate a third world war. It was preceded by Russo-American conflicts over the Marshall Plan, the occupation of Korea, and Communist charges as to American designs in Germany. The immediate pretext was the

Allied currency reforms in Western Germany, including Berlin, which the Russians held to endanger the occupation. On June 24 the Russian guards blockaded the corridor between Western Germany and Western Berlin, thus cutting off the food and fuel supplies of some two million Germans in the American-British-French sectors. If this was intended to drive the Allies out of Berlin, it failed miserably. Allied ingenuity turned to the use of numerous giant cargo planes, a recent development in aircraft, to supply their sectors. By April, 1949, the month before the Russians decided to call off the blockade, these planes were carrying twelve thousand tons a day to Berlin, thus encouraging many of the dispirited Germans to put their trust in the Allies' determination that they would resist Russia. At the same time, the United States and Britain put strong pressure upon the Russian satellites by a German counterblockade which cut off needed industrial supplies ordered by the East.

On May 23, 1949, the Foreign Ministers of the four occupying powers met in Paris to discuss German and Austrian policies. They could not agree upon the basis for German unification since the West wished free elections and a guarantee of civil rights while the Soviets proposed a unified Germany patterned after the Communist-dominated "coalition" government in East Germany. Russia's desire to share in the vital Ruhr industrial administration was rejected. Consequently, that same year the Allies permitted the West Germans to organize the German Federal Republic and the Russians formally sponsored the German Democratic Republic. The occupying powers, however, did not relinquish their ultimate control under the terms of the Potsdam treaty. Western Germany enjoyed complete self-government over internal affairs and by the following year took over foreign affairs also. This virtual restoration of sovereignty for West Germany came with the German Contractual Agreement of May, 1949. Its terms contemplated an auxiliary German force of perhaps 300,000 to 400,000 men to aid in the defense of the West against Russia and her satellites.

The United States took the leadership in sponsoring the new German Army within the North Atlantic Treaty Organization (NATO) for collective self-defense formed on April 4, 1949, by twelve powers at Washington. It was expected that West Germany would also have an air force of more than a thousand tactical planes by mid-1954.

with British and American instructors. The new German state was still a powerful ally, despite partition, for its 48,500,000 people seemed firmly united against communism and their material recovery and striking prosperity gave new assets to the badly outnumbered Allies. Americans were disturbed by the rise of neo-Nazism in Saxony, but the Adenauer government seemed sincere in its determination to crush any Hitlerian revival.

So vital did West Germany appear to the defense of the United States that this country gave to its erstwhile enemy the enormous sum of \$3630 million from V-E Day to June 30, 1952. Most of this, of course, was for relief and reconstruction but this goal had to be achieved before Germany could again arise as an independent state. In 1952 Secretary of State Acheson laid the cornerstone of the American Memorial Library, a generous gift intended to encourage the spirit of the people of West Berlin. The Ford Foundation, one of the greatest philanthropic agencies of its time, awarded a grant of over \$1.3 million for the American-sponsored West Berlin Free University. The city of Berlin remained the chief symbol of a free reunited Germany, purged—it was hoped—of Nazism and the dream of world conquest.

The Iron Curtain Across Eastern Europe

During 1945-1948, the Iron Curtain of Soviet domination fell over eastern Europe. Poland, like the other satellites, experimented with a coalition government in which the Communists soon rid themselves of independent critics like Mikolajczyk, leader of the Peasant party. This violation of the Yalta promise of free elections led Truman to recall our ambassador. Many Hungarians were at first elated over the Russian-sponsored land reforms, but their democratic premier, Ferenc Nagy, soon found it expedient to escape to an American refuge. Bulgaria's Communists disposed of a critic when they hanged Nikola Petkov, leader of the Agrarian party, on a treason charge in 1947. Once more, the State Department vainly protested this act as a new violation of the Yalta pledge. In December, 1947, Rumania's Communists ousted King Michael and proclaimed a People's Republic. As the Red network grew, the officially dead Communist International sprang to life in October under the fresh name of the Communist Information Bureau (Cominform).

Tito's Yugoslavia seemed at first tightly bound to the Kremlin and was industriously engaged in the usual Communist tactics of land confiscation, religious repression, and the abolition of free associations. In August, 1946, Yugoslav soldiers set off an international incident (such irritants became common among the Russian-dominated countries in the ensuing years). They shot down two United States planes that appeared to have crossed the border, killing five American soldiers and arresting the occupants of the other plane. Secretary Byrnes forced Tito to pay an indemnity for those killed and to release the survivors. At the same time, Cominform guerrillas were receiving aid from Yugoslavia, Albania, and Bulgaria and crossing over to Greece to help overthrow the Greek government.

In 1948, however, Tito had a change of heart after he had estranged Stalin by his independent attitude. This forced him to find friends in the West. By 1952 he had so completely broken with Russia that he was signing an economic pact with the United States "to strengthen mutual security and individual defense against aggression." A few months later the United States joined with Britain and France in granting Tito \$99 million for this purpose. Thus the Allies unexpectedly gained the military assistance of a formidable army exposed on the front line of any Russian attack and capable of directly aiding Turkey and Greece in the event of attack. /

Italy had a standing quarrel with Yugoslavia over Trieste, which was declared a free territory by a preliminary peace treaty with the Allies. The Italians lost the Dodecanese Islands to Greece, eastern Venezia Giulia and about 25 percent of her limited coal fields to Yugoslavia, and certain Alpine areas in Piedmont to France. Italy lost all her colonial possessions, though in 1950 the United Nations gave her a ten-year administration over former Italian Somaliland, and she had to pay heavy reparations. However, the Russian situation soon improved the international status of Italy. She was aided by her former enemies in modernizing her armed forces as a unit in the joint North Atlantic Treaty Organization (NATO) entrusted with the defense of the Mediterranean.

Czechoslovakia, once more under President Beneš and Foreign Minister Jan Masaryk, tried desperately to remain neutral as a "bridge between East and West." But a substantial Communist minority within a parliamentary coalition led to the choice of a Com-

munist Premier and a strong pro-Soviet policy. The West woke up in February, 1948, to discover that Premier Gottwald's Communists had taken over control of the police, the Army, the unions, and had expelled all opponents from the ministry. Shortly afterwards came the shocking news that Masaryk, son of the revered first President of Czechoslovakia, had committed suicide. In the West, where he was well known and respected, his death was interpreted as a final despairing protest against the Communist overthrow of the bridge between Russia and the non-Communist world. The Czech crisis whipped up new tensions and led the United States to take vigorous steps in organizing NATO as an anti-Communist military alliance.

Greece and the Truman Doctrine

The bitter civil war in Greece kept alive by Communist guerrillas worried western strategists, who feared the loss of the eastern Mediterranean to communism. Britain was too weakened by the recent war to continue her efforts to keep Greece out of the Russian orbit and former Prime Minister Winston Churchill called openly for an alliance of non-Communist powers into a United States of Europe. In a significant speech of March 5, 1946, delivered at Fulton, Missouri, he asserted, "From Stettin in the Baltic to Trieste in the Adriatic, an iron curtain has descended across the Continent." That year William C. Bullitt, long a champion of Soviet-American friendship, suggested in his book, *The Great Globe Itself* (1946), that our high moral standards did not mean that "we should hesitate to use the atomic bomb to stop new crimes of Soviet Imperialism."

In 1947 Britain gave the United States notice that she was no longer ready to underwrite the security of Greece and her neighbor Turkey. This placed a momentous decision before Truman. To refuse this responsibility, according to our strategists, was to forfeit the entire eastern Mediterranean outpost; but to accept involved a breath-taking expansion of military commitments far from home. Truman and his advisers chose to embark upon a policy of "firm containment" of "Russian imperialism." On March 12, 1947, the President asked Congress for a year's appropriation of \$400 million for aid to Greece and Turkey; of this sum, \$100 million was allocated to strengthen the Turks militarily.

The Truman Doctrine, as it came to be called, was "to assist free

peoples to work out their own destinies in their own way." Like the Monroe Doctrine of 1823, which was largely intended to halt Russia's advance down the Pacific coast, the Truman Doctrine marked a radically expanded concept of strategic frontiers. The President emphasized the successive advances of Russia's power. "The Government of the United States has made frequent protests against coercion and intimidation, in violation of the Yalta Agreement in Poland, Rumania, and Bulgaria." Similar developments were taking place elsewhere. He went on to say:

I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures. . . .

I believe that our help should be primarily through economic and financial aid which is essential to economic stability and orderly political processes.

The world is not static, and the status quo is not sacred. But we cannot allow changes in the status quo in violation of the charter of the United Nations by such methods as coercion, or by such subterfuges as political infiltration.

The chief instrument of the Truman Doctrine was the North Atlantic Treaty Organization of 1949, which united the West in a military coalition against Soviet attack. By 1953 not only had NATO become a defensive alliance, but its fourteen members had pledged themselves to work for nonmilitary goals as well—freedom, prosperity, and progress. Almost equal in importance with NATO, and preceding it, was the Marshall Plan of 1947, which tried to strengthen the non-Communist world economically and militarily. Finally, the Truman Doctrine drew support from "Point Four," which added a preventive approach to the aim of containing communism by raising the standard of living in those poverty-ridden areas where revolutionists would find an easy task. Secretary of State Acheson later explained that the Truman Doctrine was directed at "Russian imperialism" rather than communism as such. This objective would be achieved sometimes by economic means, through United Nations co-operation, and, if necessary, by force.

Greece had been bled white by the Italian Fascist and Nazi invasions and then by an exhausting guerrilla war. Democratic elements

felt alienated by the return of the monarchy and an unpopular ruling class; but this restoration had come about as a result of a popular plebiscite judged to be honest by special American observers, but undoubtedly influenced by the belief that the monarchy was the only real alternative to communism. Of the foreign aid to Greece, which totaled \$2287 million by 1952, only \$1578 million went for civilian uses, the remainder going for rearmament. Greece and Turkey showed their loyalty to the West by sending combat units to join the United Nations at Korea in 1950; and both were admitted into NATO.

The Greek intervention and the Truman Doctrine aroused strong criticism. Champions of the United Nations complained that Truman had by-passed that international agency in favor of unilateral action. Defenders replied that had Truman appealed to the United Nations he would have been defeated by Russia's veto in the Security Council. Chief foe of the Truman Doctrine was Secretary of Commerce Henry Wallace.⁴ In his Madison Square Garden speech of September 12, 1946, which led to his dismissal, he argued, "On our part we should recognize that we have no more business in the political affairs of Eastern Europe than Russia has in the political affairs of Latin America, Western Europe, and the United States." He rallied the opposition through country-wide speeches and through the editorials of the *New Republic*. In 1948 he ran for President on the Progressive ticket to awaken the voters to the danger of war. Only in 1950, after Red Korea precipitated war did Wallace recognize the Russian peril and recant.

Truman evidently had a strong majority behind his Russian policy. A poll taken in September, 1947, by Dr. George Gallup's American Institute of Public Opinion showed that 40 percent even wished "to tell Russia any further move into Greece will be considered a declaration of war against the rest of the world"; only 4 percent wanted a strictly "hands-off" policy. A month later, the Gallup interviewers asked, "Do you think the United States is being too soft or too tough in its policy toward Russia?" The response was "too soft" from 62 percent and "too tough" from 6 percent; 24 percent said it was "about right." One may conclude that Truman's Russian policies were far milder than those desired by most citizens at this time. So much had isolationism waned as a result of the Communist threat

that according to a poll in November, 1947, by the National Opinion Research Center, 75 percent wanted the United States to join in a movement to create an international police force to keep world peace.

The Alliance with Britain

Soviet expansion welded British and American foreign policies together in a common front despite minor differences. But the wide disparity in resources between the two countries left England as a junior partner. Six exhausting years of war, the havoc wrought by Nazi bombs, and the collapse of her best European customers forced her tired people to endure a prolonged "austerity" program to meet the acute shortages in food, clothing, and housing. England's depleted manpower and finances, as well as the anti-imperialistic views of the Labour party, led her to free India and Burma, withdraw her troops from Greece and Palestine, and avert unnecessary risks in the Far East.

The grave economic situation in Britain had been aggravated in 1945-1946 by unusually bad crops and weather and had been worsened by Truman's abrupt termination of lend-lease aid after V-J Day. However, the administration had no intention of bankrupting England; in December, 1945, after three months' delay in Congress, an appropriation bill extended credits of \$3750 million to that country at the low interest rate of 2 percent, which was to be waived whenever the British foreign exchange situation required it. In addition, England received \$650 million credit on lend-lease money and property repayments. The net total of grants and payments for aid to Britain during 1945-1952 was \$6364 million, the largest sum given any nation under the foreign aid program. (France came next with \$4480 million.)

Inevitably, many Britons felt unhappy about the suddenly lowered estate of their great historic empire and appeared severely critical of American deeds and statements. Journalists and diplomats feared that the Red scare within the United States might drive this country into a needless war, compelling Britain among others to enter. Since many Congressmen were urging an aggressive "Asia first" policy at the expense of European defenses, the Briton of 1953 was justifiably concerned. In turn, American Congressmen and newspapers seemed

alarmed by Britain's anxiety to encourage trade with Communist countries and her prompt recognition of Red China, regardless of American policy in Asia. The task of imposing a common foreign policy upon two great powers for an indefinite period was not a simple one. But (when the Korean War broke out in 1950 and found England with seven-eighths of her forces abroad in Malaya, Egypt, and elsewhere, she nevertheless rushed 25,000 men to join the United Nations armies.)

On her side, the United States backed Britain diplomatically and economically in the oil controversy with Iran and the Egyptian demand for the Suez Canal. Even the Asia Firsters conceded on the whole that Great Britain was vital to the defense of the United States.

The Palestine Question and the Middle East

England had long smarted under American criticism of her administration of the League of Nations mandate in Palestine. This mandate had guaranteed the fulfillment of England's Balfour Declaration of 1917 promising a Jewish homeland though protecting existing Arab civil and religious rights. But England's delicate position in the Middle East after 1918 led her to court Arab opinion, which course made it difficult if not impossible to carry out the mandate for a Jewish state. Thus it happened that while British-sponsored Arab states were carved out of the defunct Ottoman Empire, the Jewish state did not even reach the blueprint stage.

Britain's efforts to keep the Arabs on her side led her to stop Jewish immigration at a time when Palestine seemed the one sure haven for Hitler's exiles. Thus escape was cut off for many who were to end their days in a Nazi gas chamber or concentration camp. In desperation, a small group of Jewish extremists committed acts of terrorism against the British in a frantic effort to force world action. In 1947 Foreign Minister Bevin declared that the mandate was unworkable in practice and that his country's obligations to Arabs and Jews were irreconcilable; therefore he was appealing to the United Nations for a solution.

Actually, official State Department policy in the Middle East had been almost identical with that of England for years because of vital oil interests, missionary pressures, and diplomatic strategy. "Pales-

tine is a British problem," Hull had insisted in his arguments with the Zionists. Yet every President from Wilson to Truman had been openly sympathetic to the early establishment of a Jewish homeland in Palestine. The Nazi atrocities and the plight of the displaced persons (of whom the Jews originally formed a large number) had aroused not only America's five million citizens of Jewish extraction but most progressive organizations and newspapers. Truman emphatically supported the Zionist request for the entrance of 100,000 Jews into Palestine and sought unsuccessfully to persuade Congress to liberalize our immigration laws. His own Cabinet, according to Secretary of Defense James Forrestal, believed that any effort on our part to replace England or to risk sending 100,000 Jewish immigrants to Palestine would provoke an Arab war and require American troops indefinitely for pacification. They refused to believe the Israelis' claim that they could defend themselves.

A United Nations committee, with American encouragement, reported a plan for partitioning Palestine between Arabs and Jews, but the Arab League spurned any partition plan. The State Department supported a United Nations trusteeship plan for Palestine as a substitute for partition, but, when this was defeated by the United Nations, Truman reverted to the partition plan and promptly recognized the new state of Israel which had been proclaimed on May 14, 1948. Meanwhile the Arab states went ahead with a multi-pronged invasion of Israel, encouraged by the Anglo-American arms embargo, which hurt the Israelis more than it did them. But the Israeli Army confounded the foreign experts by routing or trapping the Egyptians and forcing their other opponents to accept a cease-fire order. Through the mediation of the United Nations representative, Ralph Bunche, a final armistice was signed during 1949. However, the Arabs refused to lift their blockade of Israel or to sign a final peace treaty.

President Truman promptly arranged for an exchange of ambassadors with Israel—an unusual distinction for so youthful and small a nation. Efforts were made to settle the Arab-Israeli differences, though without result as late as 1953. Both sides were given generous loans and credits for reconstruction. The United States Export-Import Bank gave Israel a loan of \$135 million for industrial and agricultural development, and the Israelis were permitted to float a half-billion-dollar Independence Loan in this country. Smaller loans

were added for relief, irrigation, power development, industry, and communications equipment. In return, [Israel offered treaty concessions in 1952 which favored American investors.] That year both political parties pledged their support to Israel's development. American policy, as formulated by various spokesmen, recognized the value of a strong Israel, stabilized by its parliamentary institutions and democratic beliefs, as a vital link in the defenses of the Middle East along with Turkey and Greece.

The political instability and demonstrated weakness of the Arab states raised doubts as to their value in the Middle East defense, but their strategic location and oil assets made it desirable to incorporate them within a regional defense plan. For centuries, impoverished, disease-ridden, and illiterate peasant and nomadic peoples of diverse traditions had been ruled fitfully by a ruling class of wealthy landlords and merchants who had blocked social reforms and scientific changes that might have raised the standard of living. Palace revolutions now and then stirred the ruling class but left the social structure untouched. Youthful Arab nationalists, affected by Western ideas, seemed more concerned with crushing Israel as an offspring of the West than with more fundamental house cleaning.

Under these circumstances, the soil seemed fertile for communism, and some penetration was noted in Iran. To avert this development American foreign aid programs gave the Arab states substantial loans for technical assistance and military development (Iran, for example, received \$27 million in economic and military grants up to 1952,) and efforts were made to end the impasse between that country and Britain over the former's nationalization of oil. The Point Four program spent money for modernizing the Arab economy through irrigation, river improvement, and hydroelectric power. American oil concessionaires also contributed heavily to Arab development programs. It remained to be seen whether the West would be able to avert here the disaster that had befallen it in Asia with the victory of Red China.

Japan as an Ally

With American troops in full control of Japan, MacArthur enjoyed a relatively free hand, though the Soviets protested at many decisions. As Supreme Commander for the Allied Powers (SCAP),

he demobilized four million Japanese troops, purged the civil service of ardent militarists, tried and punished war criminals, abolished incendiary patriotic societies like the Black Dragon Society, and put Japan—so it was fervently hoped—back on the road to democracy. Very helpfully, Emperor Hirohito himself told his people that he was not divine and that Shintoism, which MacArthur had disestablished, had taught a false doctrine—that the Japanese were “superior to other races and fated to rule the world.”

SCAP helped to draft Japan's constitution of 1947 along American and British lines to replace the rule of the military. Not only did it have a strong Bill of Rights and a genuine party system, but the fundamental law included the right to an education, the right to work, and the guarantee of at least minimum living standards.¹ Women were enfranchised for the first time and their legal status was raised to Western levels. Labor was encouraged to organize unions and to agitate for better conditions; however, the sudden emergence of Communist-led strikes compelled SCAP to repress all political strikes. Education was democratized through new textbooks and antimilitarist indoctrination in the schools and via the radio.

The inefficient feudal landowning system was broken up, so that two million tenant farmers were enabled to become small landowners; this number was increased through government land purchases on behalf of the landless. On the commercial-industrial front, SCAP directives dissolved the industrial monopoly of the *zaibatsu* (Japan's dozen leading families) and strengthened competitive enterprise. Most of these changes by SCAP came about through the agency of the coöperative Japanese Diet. No one expected that these reforms would solve the basic problem of permitting an overpopulated nation to maintain a high standard of living on a limited land surface recently reduced by the victors. Japan's heavy losses in overseas investments and trade and the Red absorption of China forced the defeated island empire to lean heavily upon the United States for survival.

As the expansionist pattern of Soviet politics became clear, American statesmen like Dean Acheson and John Foster Dulles tended to consider Japan as a potential ally rather than as a dangerous opponent whose revival threatened the democracies. Reparations to Russia and other countries (which had carried off \$35 million in ma-

chinery) were ended in 1949 because Japan's stability was threatened; besides, the Japanese had already seen \$3 billion of their overseas assets confiscated. By April 28, 1952, when the Japanese peace treaty went into effect reestablishing her sovereignty, American taxpayers had spent \$1.8 billion to feed and supply Japan.

While the treaty stripped Japan of the areas promised Russia and China, the United States by a separate treaty retained the right to keep her forces in and near Japan. This was not regarded as "imperialism" by the Japanese people, judging from the public opinion polls, which favored bases for the American troops. The importance of Japan in American global defenses was evident in 1950 when Japanese-based American forces blocked the Red Korean advance down the peninsula which could have served as a Communist invasion route to Japan. Russia refused to sign the treaty, regarding it as evidence of aggressive American designs.

The Philippines and the Pacific Defense System

On the Fourth of July, 1946, the Philippine Islands became an independent republic and thus the American pledge of Wilson's day was honorably fulfilled. The long period of tutelage had not enriched Americans, for our investments did not exceed \$250 million, our taxpayers had been heavily burdened, and our sugar, tobacco, and coconut producers had been unhappy about our large imports of these Philippine commodities. The mirage of a fabulous oriental trade had not materialized and our strategic commitments were heavy. Americans had done a great deal for sanitation, education, and technical progress, but had refrained from touching the basic agrarian inequities which had produced a discontented landless peasantry; this problem was left to native rulers. But the war had destroyed \$800 million worth of property and ruined half of Manila. UNRRA spent \$12 million to furnish immediate relief to the islanders.

The Philippine economy was still colonial, for its chief commercial products were sugar, hemp, coconuts, and tobacco, which were largely exported to the United States. Roosevelt and his advisers had urged diversification but little had been done. Sugar and tobacco lobbies had persuaded Congress to break off economic ties at once by passing the Philippine Trade Act of 1946 (the Bell Act). This conceded

virtual free trade until 1954, when the rates would begin to rise annually until 1974. One of the provisions that angered nationalistic Filipinos was the requirement that they add an amendment to their constitution guaranteeing to Americans equal rights in exploiting natural resources.

In return for accepting this law, Congress offered the Philippine Rehabilitation Act, which gave \$400 million to war damage claimants and turned over \$100 million of surplus property to the Filipinos and another \$120 million for technical education. Despite nationalistic criticism—many Filipinos blamed this country for involving them in war—the legislature accepted the Bell Act.

Thousands of sharecroppers, whose poverty had grown worse during the war years, were easy victims of Communist anti-American propaganda. These rebels organized themselves as the Philippine People's Liberation Army (the Hukbalahaps) and tried to overthrow the regime. (In 1950, American experts, headed by Daniel W. Bell (not the framer of the Bell Act), blamed the situation upon the inefficiency of the government and recommended that further American aid of \$250 million be extended, with proper safeguards as to its best use, through a five-year plan for economic development.)

Meanwhile the Philippine Islands were integrated within the Pacific defense system. (In March, 1947, a military agreement assured the United States of certain military bases and allowed an American Military Advisory Group to arm and train the Filipinos. (After Japan had signed the peace treaty, American diplomats drew up a mutual security pact with the Philippines on August 30, 1951, followed closely by similar pacts with Australia and New Zealand.) At the same time, American materials in huge quantities were flowing in a steady stream to the embattled French and their native allies in Indo-China, where Communist troops seemed several times to be at the point of victory.)

The Chinese Debacle

(When the Red Chinese armies suddenly intervened in the Korean War in December, 1950, and revived the dying embers of the struggle, Americans wondered why they had failed to keep China on their side. History showed that the United States had been the chief supporter of the open-door policy, which had helped to shield China

from dismemberment and foreign domination. Our State Department had taken so firm a stand in behalf of the open door and a free Asia that Japan had precipitated war; and it was largely American armed forces and weapons that had destroyed the might of Nippon. American missionaries had labored to build Christian churches, charities, schools, and public health centers at a time when Confucianism had long been in decay. Our engineers and technicians had helped to modernize many Chinese cities and towns through sanitation, epidemic control, and better farming methods. Thousands of eager Chinese students had been educated without charge in American colleges, many of them under the Boxer indemnity which we had remitted.

Nor was this all in the remote past. Military aid to Chiang Kai-shek's forces during 1937-1947 amounted to \$815 million; in addition, we had sold him surplus war goods that had cost us over a billion dollars for only \$232 million. During 1945-1949, when Chiang's Nationalists fought the Communist armies, the cost of American aid had risen to over \$2 billion. As our State Department later reported, Chiang had never lost a battle for lack of arms.

Immediately following the defeat of Japan, Nationalists and Communists raced to take over the key cities of North China and Manchuria. American troops, instructed to protect Chiang's communications while his men disarmed the Japanese, occupied the vital centers and turned over to the Nationalists their surplus weapons and supplies. Chiang's government was then officially recognized by both the USSR and the United States. In Manchuria, the Russians dismantled many factories for shipment home, but they left considerable Japanese arms for the arriving Chinese Reds.

The prewar struggle between Nationalists and Reds flared up anew. Chiang forfeited popular support by the failure of his Kuomintang party to carry through badly needed agrarian reforms for the impoverished people. His armies soon began to melt away, many deserting to the Reds. In the guise of simple agrarian reformers, the Moscow-trained Red leaders such as Mao Tse-tung pushed forward sweeping social changes in their territories, redistributing land among the landless peasantry, lowering rents and taxes, and liquidating the landowning and propertied classes. For decades, Soviet emissaries had tried to divert the nationalist movement into Marxist

channels; now it was accomplished almost overnight. Asiatic nationalism, awakened in the late nineteenth century by Western ideas, had turned against the racist and imperialist policies of the western European powers. By an ironic twist of history, helped along by Red propaganda, America was made to symbolize the hated imperialist past of the Orient.

In December, 1945, General George Marshall arrived as a special envoy and ambassador to unify China and end the civil war. He did secure a truce and made a short-lived agreement for the merger of Red forces with the Nationalist Army and for Communist political representation in the government. However, neither faction was anxious to surrender its existing military advantages and fighting broke out again on a large scale. Marshall withdrew, denouncing both the right-wing Kuomintang politicians and the Red extremists. Chiang continued to receive aid from an American military advisory group, whom he frequently ignored, and they were withdrawn in 1948. So ineffectual were Chiang's generals that the American arms and supplies somehow turned up in Communist hands.

Meanwhile, the anti-American campaign of the Reds reached such depths that after Chiang's armies were shattered and a remnant was driven from the mainland to Formosa the new Communist leaders persecuted American officials and residents. However, even England's "realism" in promptly recognizing Red China did not give that nation a favored status. Moscow and Peiping were far more concerned with basic power factors than with human niceties. On February 14, 1950, the Russians announced that Mao and Vishinsky had concluded a thirty-year pact of friendship, alliance, and mutual aid "in case of aggression."

Congressional critics of Truman's China policy forgot that American public opinion and that of her allies would not have tolerated large-scale military intervention for the purpose of propping up the inefficient Chiang regime; besides, such a policy would have exposed Western Europe to any Russian thrust or diplomatic pressure. But there was no denying that the fruits of a century of Sino-American friendship had been largely lost—unless one counted Chiang heavily in the scale. At home critics of Truman and Dean Acheson blamed them for the debacle and the less responsible even charged that pro-Communist advisers had engineered the final result.

The Korean War

Korea, annexed by Japan in 1910, failed to secure the independence and unity promised by the Cairo Conference. To assure military disarmament the nation was at first divided along the line of the thirty-eighth parallel between two occupying powers, the Russians in the north and the Americans in the south. Each power set up a provisional government, the Russians introducing a Red regime which confiscated landed property in favor of a landless peasantry. Moscow rejected an American plan to unify Korea on a basis of free elections supervised by the United Nations. Nevertheless the United Nations went ahead in November, 1947, to appoint a United Nations Temporary Commission, which held elections in South Korea but was refused permission to cross into North Korea.

In February, 1948, the Russians announced their new "Democratic People's Republic"—they appreciated the semantics of using a democratic vocabulary—and the Red Koreans proceeded to liquidate dissenters or to drive them into South Korea. The Russians left a well-armed and trained North Korean army and strengthened the morale of the numerous families which had shared in the land redistribution program. On the other hand, the Americans made only limited progress in land reform, preferring to leave the problem to a native regime, but they poured millions into the relief and rehabilitation of South Korea and thus brought a far higher standard of living to that area as compared with the northern section. The military efforts of the American advisers did not go beyond equipping and training South Korean forces for comparatively light defensive action, though the South Korean politicians spoke ambitiously of absorbing the rest of the country. Against them were the Russian tanks and industrial resources of North Korea.

(On June 25, 1950, the Red Korean Army invaded the Republic of Korea in a blitz campaign that swept the defenders back by mid-August to a small southern area at the tip of the peninsula around Pusan. Here was a direct challenge to American concepts of security. The Korean invasion could be the prelude for successful Communist pressure upon weakened Japan. The example of a victory for the Red Koreans might set off imitators in the non-Communist portions of Asia and discourage the will to resist. Military dictatorship was far

more familiar to Asians than self-government. [In Europe, Western Germany watched anxiously, fearing that a similarly Red-groomed East Germany might be the spearhead of a Communist attack. Here was a direct test of the Truman Doctrine and the policy of containment.

Within a few hours of the attack, the United Nations Security Council voted unanimously (Russia was then boycotting the United Nations) to condemn the attack, called for the withdrawal of the invading forces, and requested all United Nations members to refrain from lending aid to the North Korean forces. On June 27, the same day that the United Nations Council asked all members to help South Korea, President Truman ordered our air and sea forces to give "cover and support" to South Korean troops; when this proved insufficient to stem the invasion, our infantry units were sent in.

On July 1, the first American infantry troops arrived and a week later General Douglas MacArthur was put in charge of a unified United Nations command. But few nations were able to equip and recruit large forces. France was already overstraining her resources in her jungle war against the Reds in Indo-China and awaited our own material aid. England had her hands full with Red terrorists in Malaya, but she managed to send substantial detachments, and Canada, Australia, and New Zealand also sent troops. Turkey and Greece sent small but hard-fighting units; many more shipped medical aid. By fall, the United Nations troops had recovered from their initial setbacks and were driving North Korean forces all the way back almost to the Manchurian border.

MacArthur assured Truman that the Chinese Reds would not intervene, but Mao dismayed the West by sending forth large Russian-equipped armies of Chinese "volunteers" in November and caught the United Nations soldiers by surprise. Once more, the disaster of the summer months seemed to repeat itself with heavy casualties for MacArthur's men; but by 1951 the American and South Korean troops (who bore the brunt of the fighting) had recovered much of the ground lost above the 38-degree line. The United Nations vainly asked the Chinese to withdraw their troops and, at the instance of the American delegates, declared Red China an aggressor in Korea. Because of the fear of a third world war, the United Nations air force had to refrain from bombing Chinese bases

in Manchuria and thus had to fight a limited war with no confidence of an early victory.

General MacArthur declared on November 28, 1950, that "we face an entirely new war." He now called for more aggressive tactics and wrote to the Republican minority leader, Joseph W. Martin, an open letter in April, 1951, that Chiang should at least be aided to invade the Chinese mainland. Already Senator Talt, considered a leading presidential aspirant, had campaigned for a similar policy together with a demand for more aid to Formosa. Truman regarded MacArthur's criticism of administration policies as unjustified and dismissed him with the comment, "We do not want to see the conflict in Korea extended. We are trying to prevent a world war—not to start one." The Gallup poll showed how thoroughly confused Americans were about MacArthur and Korea: 54 percent approved MacArthur's stand, but at the same time only 30 percent believed that this country should start an all-out war against Red China. Behind the MacArthur-Truman dispute lay the principle of civilian control over the military.

During much of 1951–1953 United Nations air power and naval units pounded away at North Korean military objectives in an effort to prevent the enemy from mounting any great offensive that would allow him to profit from his huge manpower. The failure of the Reds to drive the United Nations into the sea as Mao had expected led them to invite cease-fire negotiations in July, 1951, but the truce talks stumbled over several issues, of which the most thorny was the question whether Red prisoners of war in Allied camps should be compelled, regardless of wish, to return to their country. Since many enemy troops had deserted to the United Nations because they had been promised that they would not be returned, the United Nations was adamant in its refusal to yield on this issue. After screening the prisoners, United Nations authorities discovered that 83,000 out of 170,000 would forcibly resist repatriation. Meanwhile, the ground fighting fell off but the air and sea attacks on North Korea were stepped up. (In June, 1952, United Nations planes for the first time bombed the Yalu River power plants that served Manchuria as well as North Korea, thus arousing fears in western Europe that we might extend the war.)

The year 1952 was also marked by sensational and wholly un-

proved Communist charges that the United Nations was using germ warfare. While the United States accepted an offer of the International Red Cross to make an impartial investigation, the Communists refused, insisting instead upon direct presentation by Red Chinese and North Koreans of the "evidence" before the General Assembly. This was rejected. Meanwhile, well-organized prisoner-of-war riots broke out in United Nations camps; these were followed by official Communist demands that we cease our "barbarous behavior" toward prisoners. General Mark Clark, the new United Nations commander, learned that the Reds actually feared that many of these prisoners might be easily induced to join anti-Red units; hence the Communists chose to denounce the screening of prisoners as barbarous.

What had begun as a United Nations police action was now a major war. By the end of 1952, the United Nations troops that faced over a million Chinese and North Koreans totaled 250,000 Americans, 400,000 South Koreans, and 40,000 from other countries. It was difficult for many American families with sons or fathers in the war to understand the painful necessity of global defense that left no alternative but to pursue the costly war to a conclusion. Resentful voters turned to Eisenhower during the election of 1952, especially after he promised to visit Korea should he be elected. With the death of Stalin in 1953, Georgi Malenkov, the new Premier, invited the United Nations to revive the peace talks in Korea and to participate in a "top level" discussion of all outstanding differences elsewhere.

The prisoner-of-war deadlock ended on June 8, 1953. Both sides agreed that prisoners refusing to go home would be dealt with by a political conference and freed as civilians in 120 days if the conferees failed to solve this problem. A neutral repatriation commission, in which India was an umpire, took charge of these men. President Syngman Rhee of South Korea dismayed the Allies by suddenly freeing many of the prisoners who had refused to go back to the Reds. Rhee's insistence that the war must go on until all Korea was unified was finally met by an American promise of diplomatic aid toward this end and the drafting of a South Korean-United States mutual assistance treaty.

On July 27, 1953, the cease-fire order was given, thus ending the Korean War. The sixteen United Nations allies in Korea warned

that any breach of the peace by the Reds "would be so grave that, in all probability, it would not be possible to confine hostilities to Korea." Returning American prisoners brought back stories of Red atrocities which shocked the West. On August 19, the United States Defense Department announced our heavy casualties for the Korean War—142,277, of which 25,604 were dead and 103,192 wounded; this compared substantially with World War I deaths of 126,000 Americans and World War II fatalities of 393,000. The human costs of other foreign wars for this country had been far below that paid for the Korean War. The Communist leaders had paid even more heavily for their miscalculation regarding the American will to resist Red aggression; according to United Nations estimates, Chinese and North Korean casualties must have been between one and one-half and two million men.

Building an International Order

Those who dreamed, like Tennyson, of a "parliament of man, the federation of the world," had high hopes at the San Francisco Conference of June, 1945, which drew up the Charter of the United Nations, modeled after the draft of the Dumbarton Oaks agreement. Fifty nations (Russia had been promised two extra representatives for the Ukraine and White Russia) signed the Charter. Borrowing heavily from the organization of the defunct League of Nations, the United Nations framers created a General Assembly, a Security Council, an Economic and Social Council, an International Court of Justice, a Trusteeship Council, and a Secretariat. Many more specialized agencies were provided.

All United Nations members belonged to the General Assembly and received one vote. On all important questions the decisions were to be made by a two-thirds majority of those present and voting. The Security Council, which acted as an all-powerful executive committee to deal directly with any threat to peace as well as lesser questions, consisted of eleven members, five of them specified as permanent—United States, Britain, the USSR, China, and France—and the other six to be elected for two-year terms by the General Assembly. One of the stumbling blocks then and thereafter was the veto power given each of the permanent members on all but questions of procedure. Small powers had been reassured that the veto would be

used sparingly; but by November, 1947, the Soviet delegate had invoked the veto power over twenty times, mostly on quite minor issues, thus blocking action.} By that time Secretary of State Marshall decided to modify the stalemate by introducing a permanent "Little Assembly" to handle certain peace and security cases. Despite violent Soviet criticism, this was promptly approved. This new Interim Committee was given investigatory and advisory power on questions affecting the peace, save for those already being considered by the Security Council.

The International Court of Justice was based upon the statute of the old Permanent Court of International Justice (the World Court), but its decisions were expected to be binding upon all United Nations members who submitted their controversies to it and might be enforced by the Security Council. As for the various specialized agencies such as the Economic and Social Council, they had the advantage of being free of the veto.

{A rather promising special agency was the United Nations Educational, Scientific, and Cultural Organization (UNESCO), formed in November, 1945.} At the time of our adherence to it, President Truman remarked, "I attach the greatest importance to this agency. UNESCO will summon to service in the cause of peace the forces of education, science, learning, and the creative arts and the agencies of the film, the radio and the printed word through which knowledge and ideas are diffused among mankind." The constitution of UNESCO asserted that "since wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed." It sought agreements between nations to promote the free flow of ideas, advised upon educational rehabilitation in war-torn areas, and encouraged democratic teaching methods. The program operated through national commissions for each country. Among its activities were the encouragement of trained teachers in backward areas, technical assistance, scholarships and fellowships, trade-union education, the promotion of visual and auditory education, the strengthening of international copyrights, and the organization of UNESCO libraries, community centers, and scientific aid.

Much was expected from the new International Bank for Reconstruction and Development and from the International Monetary Fund, both of which had been born out of the significant Bretton

Woods Agreement of 1914. The International Bank, popularly called the World Bank, was (like the Federal Housing Administration) a mutual loan insurance and guaranty institution. It did not supplant international lending but guaranteed loans for productive development projects to countries which could not borrow the money otherwise. The United States controlled 40 percent of the votes and could influence unfavorable decisions. Despite a very late start—the first loan was not issued until May, 1917—the World Bank succeeded by October 15, 1952, in lending \$1.5 billion to twenty-eight countries for many basic projects involving electrification, irrigation, railways, farm machinery, and industrialization programs.

The Bank's companion, the International Monetary Fund, in which the United States director cast 31.68 percent of the vote, was intended to stabilize the exchange of currencies through short-term credits and expert advice. Nations would be helped to balance their international trade without having to resort to harmful deflationary policies and exchange restrictions. Thus, it was hoped, the free flow of international trade would be unimpeded and the dangerous and unjust consequences of bilateral deals would be avoided.

These agencies, which sought to liberalize trade and promote fuller world employment, were invaluable for the American goal of stabilizing Europe and Asia. Toward the same end, the United Nations members—except those like the USSR which had a state trading monopoly (or were boycotting the special United Nations agencies) set up the International Trade Organization (ITO) to encourage fair trading practices among nations. ITO was expected to stimulate lower tariff policies, eliminate the dumping of surpluses, and abolish trade discriminations. However, Congress was slow to take action on this matter.

The urgent task of postwar malnutrition and food production was turned over to the Food and Agricultural Organization (FAO). For this and similar purposes Congress extended direct financial help to Europe through the Export-Import Bank Act of 1945, which increased the Bank's lending authority from \$700 million to \$3.5 billion. The former emphasis on Latin-American loans gave way to a new stress upon European recovery. A large loan to France was timed strategically to help the French moderates defeat the rising Com-

munist party. Loans were sometimes withheld from nations which seemed ready to take the Soviet path.

The United Nations and Disarmament

There is little space here to record the numerous achievements of the United Nations such as the solution of the early Iran question of 1945-1946, when the Russians were finally persuaded to withdraw their troops and cease fomenting civil war. Far less successful were the labors to promote disarmament. Peacemakers had usually believed that wars could be averted by casting swords into plowshares, but realists thought that the causes of war were far more complex and that some measure of security and understanding must precede disarmament. William James in his "Moral Equivalent of War" had long ago argued that war was rooted in man's aggressive nature, but he hoped that this impulse could be diverted into more productive channels. An endless stream of books and articles had appeared proving that war did not pay in the economic sense. Nevertheless, the history of disarmament had been far from encouraging.

One of the earliest major United Nations quarrels took place over the outlawry of the atom bomb. In December, 1945, the Moscow Conference of Britain, the United States, and the USSR had agreed to sponsor a United Nations Atomic Energy Commission. Thereupon, the United States, as sole custodian of the atom bomb, took the initiative in preparing the Acheson-Lilienthal Report on the international control of this deadly weapon. Bernard M. Baruch, American representative on the Atomic Energy Commission, presented on June 14, 1946, a modified version of the Lilienthal Report. He proposed an International Atomic Development Authority—the veto power not being allowed to any nation—to deal with every phase of atomic energy, a kind of world TVA. The agency would have:

1. Managerial control or ownership of all atomic energy activities potentially dangerous to world security.
2. Power to control, inspect, and license all other atomic activities.
3. The duty of fostering the beneficial uses of atomic energy.

Once the Authority established conditions of security, he added, the United States would then propose that all atom bomb making cease,

that existing bomb stocks be disposed of, and that penalties be fixed for the illegal possession or use of atomic bombs or materials or for willful interference with the Authority.

Gromyko, the Soviet representative, made it clear that his country would not tolerate an international authority roaming at will through the Soviet Union or relinquish the veto power in the proposed agency. These concessions, he held, violated national sovereignty. Instead he proposed the immediate outlawry of the bomb, the destruction of all stocks of the bomb, and special committees for the exchange of atomic information. Each nation was to be left to execute any agreements for the punishment of atomic violators. Later the Russians offered several counterplans. One accepted both international inspection and the international authority; but it added the unacceptable proviso that first the atomic bomb should be outlawed and the atomic energy plants given to an international authority whose powers would be subject to any Security Council member's veto.

The United States, increasingly distrustful of Russia's intentions, refused to yield the safeguards promised in a strong independent international authority capable of carrying out effective inspection; only after such inspection had been assured would the United States surrender its atomic power supremacy. After all, the outlawry of the A-bomb really involved the disposal by the United States of the one weapon that "balanced" Russia's superior manpower.

By the time of Stalin's death in 1953, the Russians had offered some concessions to the American position but failed to agree on the procedure to guarantee control and atomic bomb outlawry. In January, 1952, the United Nations General Assembly dissolved the Atomic Energy Commission and set up a Disarmament Commission to consider jointly atomic control and conventional disarmament. Once more the East-West split seemed discouraging. While the Americans refused to give up their atomic weapons unless a satisfactory system of disarmament existed under international control, the Russians held that the outlawing of atomic weapons must come first.

Meanwhile, on September 23, 1949, President Truman announced that he had evidence "that within recent weeks an atomic explosion had occurred in the USSR." By this time atom bomb spy rings, obviously operating for the USSR, had been discovered in Canada, Eng-

land, and the United States. The most sensational case involved the 1950 arrest of Dr. Klaus Fuchs, a German-born physicist at Harwell, England, who had once been employed at the atomic center at Los Alamos, New Mexico. Since 1942 he had been sending atomic information to the Russians. Similar atomic espionage was uncovered in the United States. A deadly race had begun in atomic weapons, now more powerful than ever and already revolutionizing warfare. In November, 1952, came unconfirmed reports that our current weapons tests at Eniwetok actually detonated the long-awaited hydrogen bomb with its multiplied potentialities for human destruction. During 1954 the world learned that both Russia and the United States possessed the hydrogen bomb.

The Rio Defense Pact of 1947

Pan-American solidarity, which had been strengthened by common efforts during the war, advanced during the postwar era, marred only by Argentine truculence and the penetration of Communist anti-Yankee propaganda. A significant step toward hemisphere unity was taken in the wartime Act of Chapultepec of March 6, 1945. This pledged the Pan-American states: "That every attack of a State against the integrity or the inviolability of territory, or against the sovereignty or political independence of an American State shall . . . be considered as an act of aggression against the other States which sign this declaration." In such a case the members would consult as to the necessary defensive measures.

By seeking to guarantee the peace regionally, the members went beyond the Monroe Doctrine, which was concerned only with an outside aggressor. The hemisphere system, far from being obsolete in the new age of the United Nations, was expected by the explicit wording of the United Nations Charter regarding "regional arrangements" to play a vital part in preserving world peace. However, the scheduled Inter-American Conference on the Maintenance of Continental Peace and Security at Rio de Janeiro, envisaged by the Act of Chapultepec, was delayed by the refusal of the United States to sign with Perón's Argentina. Only in September, 1947, after the State Department had decided that it needed Latin-American solidarity against Russian aggression, did Truman and Marshall journey to Rio to sign the Inter-American Defense Treaty binding the hemi-

sphere to military action against both internal and external aggressors. However, the ratifications proceeded very slowly.

In Argentina, an ultranationalist revolution in 1943, led by Colonel Juan Domingo Perón, forced that country to maintain a wartime policy of "strict neutrality" until the final months of World War II. The Nationalists intrigued with Nazi leaders, emulated certain of their fascist ideas, and conspired against the safety of their neighbors. Spruille Braden, an outspoken American hostile to Perón's system, was sent as our ambassador to Argentina as an expression of official condemnation. When Perón decided to run for President in the election of 1946, rather than remain an untitled power behind the throne, the State Department suddenly issued the startling *Blue Book*, which proved in documentary fashion that Argentina's regime had aided the Nazis after Pearl Harbor and even now continued to shelter dangerous Nazi interests. Former President Castillo as well as Perón had plotted to form an anti-Yankee Nazi coalition in South America. Perón denied all allegations, attacked Braden as a foreign meddler, and appealed emotionally to Argentine national pride. Despite the *Blue Book*, Perón won the Presidency, a fact which compelled Secretary Byrnes to reconsider his policy and to accept Argentina as a cosignatory to the long-delayed Inter-American Defense Treaty. Undoubtedly Argentine wheat, which was a vital factor in the world relief problem, as well as the Russian situation, influenced this retreat.

A new factor to be reckoned with in Latin-American affairs was the rising influence of Soviet ideology, strengthened by the recent renewal of diplomatic ties with most hemisphere nations during the war years and thereafter. Brazil's temporary venture into a free election system revealed a Communist vote of a half-million in the election of December, 1946. Her dynamic Communist leader, Luis Carlos Prestes, sounded the new anti-Yankee line which had succeeded the friendly wartime slogans. Latin-American poverty and illiteracy offered a fertile breeding ground for Communist growth. In Chile, the anti-Yankee outbursts of the Communists included a note of generous tolerance for Perón. In most cases, however, the friends of the United States held the political reins in Latin America. When, in 1954, Guatemala seemed to be yielding to Communist penetration, an Inter-American Conference of twenty republics at Caracas agreed

with the United States upon collective action against Communism in the Western Hemisphere.

The Defense Against Soviet Power

The failure to arrive at any agreement with Russia over Communist expansion or disarmament led the United States to grasp the reins of leadership in an effort to contain Soviet power. Russia had apparently counted upon traditional American isolationism to eliminate the United States as a serious factor in Europe if not in Asia. Instead, the Truman administration had stubbornly refused to retreat from its new global policies. A calendar survey of events since 1947 reveals most clearly how far this country had gone since isolationist days:

June 5, 1947—Secretary of State Marshall at Harvard outlines "Marshall Plan" of economic aid to free nations. Birth of European Recovery Program.

September 2, 1947—Signing of Inter-American Defense Pact at Rio de Janeiro.

February 25, 1948—Beneš of Czechoslovakia yields to Red demand for pro-Soviet Cabinet; Masaryk suicide on March 10.

February 29, 1948—Belgium, the Netherlands, and Luxembourg agree at Brussels to Anglo-French proposal for western European security pact; signed March 17.

April 1, 1948—Russians begin blockade of West Berlin. Allied counter-blockade and airlift breaks blockade in 1949.

June 11, 1948—Senate approves Vandenberg Resolution calling for regional military alliances.

April 4, 1949—The United States, Canada, and ten western European nations sign pact for the North Atlantic Treaty Organization: "an armed attack against one or more of them in Europe and North America shall be considered an attack against all." Senate approves, July 21.

September 23, 1949—Truman announces that an atomic explosion has occurred in the USSR.

September 27, 1949—Congress votes \$1.3 billion for Mutual Defense Assistance Act.

January 14, 1950—Truman recalls consular officials from Red China after a series of anti-American incidents.

June 25, 1950—Red Korean invasion. Truman orders American aid to South Korea.

September 15, 1951—The United States joins Britain and France in proposing contractual agreements with West Germany as a basis for a military alliance. Concluded May 26, 1952.

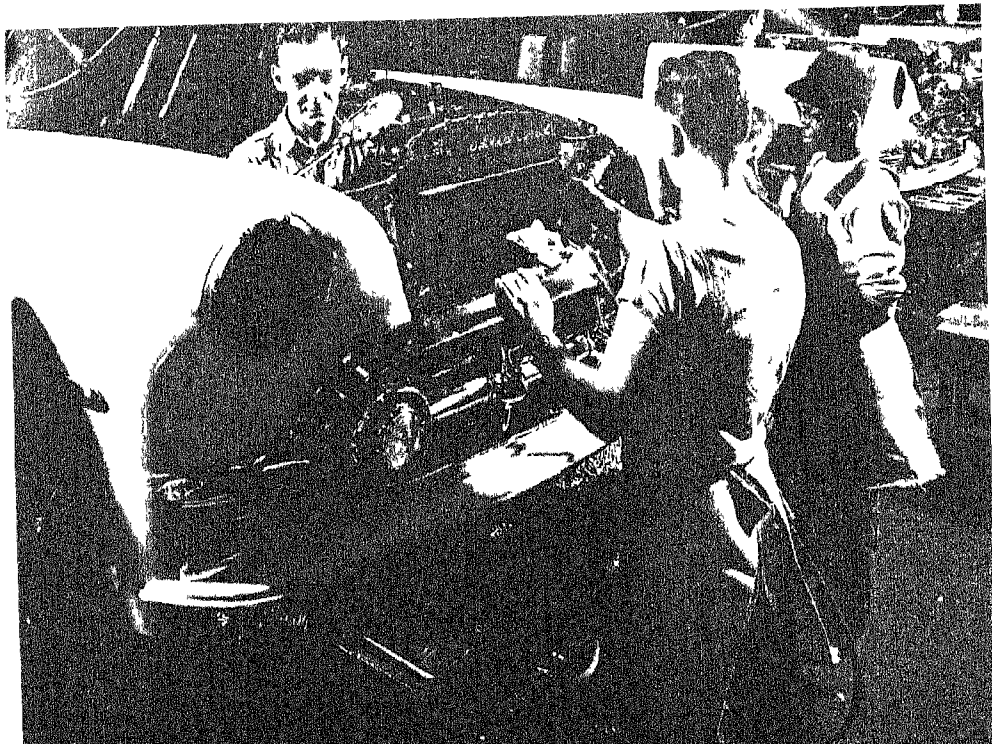
November 10, 1951—The United States, France, Britain, and Turkey announce plan for a Middle East Defense.

April 28, 1952—Japanese peace treaty, supplemented by defensive links with the United States, goes into effect.

May 27, 1952—Signing of Mutual Security Treaty setting up a European Defense Community. Members are France, West Germany, Italy, and Benelux countries. Guaranteed by the United States, Britain, and France. Called by Secretary of State Acheson "the beginning of the realization of an ancient dream—the unity of the free peoples of Western Europe." Hailed as step toward European federation.

Thus Stalin may have died in 1953 with the realization that he had inadvertently united the free world in a solid phalanx against Russia and her allies. His public argument that the capitalists, like common thieves, would soon fall out, overlooked the fact that he had left them no place to go on this shrinking planet. Communist strategy, as Henry Wallace ruefully learned, had created two worlds, divided ideologically and militarily; their reunion seemed difficult to envisage in 1955.

Vigorous American leadership and sacrifices had for the time at least stabilized the western line of Soviet expansion, reduced Communist strength in Italy and France, and united the free world. In the Pacific area, strong economic and military defenses had been thrown up against the Communists and rested upon the growing strength of Japan, South Korea, Malaya, the Philippines, Australia, and New Zealand. Whether the post-Stalin era offered the hopeful possibilities for world-wide conciliation suggested by Georgi Malenkov remained to be seen.



The Chevrolet Assembly Line, 1953. (General Motors.)





Triumph of Modernism The Philadelphia Inquirer Building (Albert Kahn Associated Architects and Engineers)

Chapter 23

POSTWAR AMERICA: 1945-1954

Reconversion, the Housing Crisis, and Inflation

Economists educated to depressions predicted that eight or nine million men would soon be walking the streets looking for work. Apparently they misled the Russians as well as Americans, for Soviet journalists expected that a postwar depression would drive the United States back into isolationism and smooth the course of Communist revolution. Instead, American industry shifted from war to peace without chaos and over thirteen million veterans returned to find their services eagerly desired. Postwar Europe recovered very slowly from the Second World War and depended heavily upon American goods. At the same time, our economy was greatly stimulated by government spending for foreign aid. There was also the fact that peace found a great backlog of civilian needs, of which houses and automobiles were a large element. Reconversion to peacetime production was made less painful for industry by the federal policy of making generous tax concessions which helped the businessman to maintain full employment.

Prosperity lay ahead, at least for the near future. While inflation inspired record-breaking strikes, industrial production in 1946 rose to 50 percent above 1939 levels. By 1947 the current annual rate of income had risen to \$177 billion from the \$168 billion of the previous year. The annual per capita income was \$1060 as compared with \$479 in 1939. Factory workers earned 70 percent more weekly than in 1941 while living costs increased less than 50 percent. There were

58,000,000 employed in 1947 and this figure rose by several million within the next few years. Here was "full employment" that had not been anticipated for many years.

This bright picture was badly marred by the most acute housing crisis in our history, a surprising situation for a country that had escaped air bombardment. Too few houses had been built during the depression and the war years; buildings had been permitted to deteriorate; a lumber shortage made matters critical; and the high consumer income and savings absorbed the supply of houses and apartments as they did other types of commodities and services. Nearly three million married couples were sharing a dwelling unit with other families. The plight of the returning veterans was particularly acute.

To cope with this crisis, Truman appointed a Housing Expediter in January, 1946, and assigned him an ambitious housing goal of 1,200,000 moderate-priced dwelling units for veterans by the end of the year. The Expediter was expected to stimulate the production of building materials and channelize most of these into veterans' housing; he had to cut down the deferrable nonresidential construction through a system of priorities over scarce material. In May Congress confirmed these powers in the Veterans' Emergency Housing Act and authorized the spending of \$400 million in premium payments to encourage producers of scarce housing materials. The Federal Housing Administration was empowered to greatly expand the total amount of home mortgage loans that it might insure. Results were quickly forthcoming, for most of the short-run objectives were reached by the end of the year, when the tempo of home-building activity matched the records of the mid-twenties.

Although three million still lacked acceptable housing, further action was stalled by the powerful pressures for immediate decontrol. Realtors argued that controls merely bred black markets in building material and that free competition would enable the supply of houses to meet the demand. Defenders pointed out that since labor was already fully employed, a free market would merely inflate construction costs without producing more houses. Unless materials were allocated on a priority basis, there was every likelihood that homeowners would lose out to those engaged in more profitable ventures such as race tracks, bowling alleys, and taverns. Both the new Re-

publican Congress and Truman yielded to the demand for decontrol by relaxing the home-building and rent controls in June, 1947, when the veterans' housing program was abolished.

After Truman's reelection in 1948, the public housing enthusiasts won a major victory in the passage of the Housing Act of 1949, which ended four years of bitter debate. The law continued and greatly expanded the program begun in 1937 for federal aid to communities for low rent public housing suitable for families of low income. Loan funds were raised to \$1.5 billion and subsidies offered up to \$308 million each year for forty years. This program was expected to provide 810,000 public housing units within six years. Many states and localities joined this drive to destroy the slums and finance cheap homes for low-income groups. A law of 1951 extended aid to middle-income families by authorizing the FHIA to insure mortgages for co-operative housing ventures. By that time the building industry was producing about a million housing units a year and the pressure, while still serious, was being reduced.

Inflated prices for housing were but one aspect of the postwar inflationary spiral. Wartime controls over prices had been highly successful, but the ensuing shortages and black markets led businessmen, and many housewives too, to believe that decontrol was the only solution. Forgetful of the inflation after World War I, Senator Taft argued that higher prices would stimulate production and that the increased supply would naturally bring prices down. Reluctantly, Truman permitted the Office of Price Administration to drop one major control after another. In 1946 alone food prices rose 34 percent. Alarmed, Truman urged Congress to extend the life of the OPA, which was due to expire in June. But the bill that Congress sent him that month continued the OPA for a year but decontrolled so many items that the President vetoed it. He asserted that it offered a choice between "inflation with a statute and inflation without one." Public opinion rallied to the veto message and Congress enacted a new bill restoring the OPA on somewhat better terms than those in the vetoed measure. But there was little left for the OPA to do than to decontrol prices, except those for rents, sugar, and rice. There was no real opportunity to see how much adjustment would have taken place in prices under a free market because the government embarked in 1947 on the large-scale spending required by the

Marshall Plan and its successors. Under these circumstances, a continuing inflationary situation could not easily be avoided, particularly since Congress refused to grant the President strong anti-inflationary powers.

The Great Strikes of 1946

Labor became restive as prices rose rapidly and overtime pay fell off. Strikes reached an emergency stage in 1946 when 4.7 million men left their jobs. The worst tie-ups occurred in the General Motors strike and strikes affecting the railroads, the soft-coal pits, the maritime industry, and steel. Newspapers charged Communist influence had instigated some of them, and Congress and many state legislatures considered a variety of antistrike bills. In May, 1946, a forty-eight-hour strike of 250,000 railroad men led Truman to seize the railways. He appeared before Congress to ask for temporary authority to draft the strikers into the Army because they had struck against their new employer, the government; but the strike ended even as he spoke. While Congress was unwilling to draft strikers, it took this opportunity to enact a permanent antistrike measure, the Case Federal Mediation bill. Truman vetoed this with the comment, "Men cannot be forced in a peacetime democracy to work for a private employer under compulsion."

A particularly crippling strike had begun on April 1, 1946, when John L. Lewis' 400,000 United Mine Workers went out on a forty-five-day strike for higher wages and a health and welfare program. To avert a national disaster Truman seized the mines and negotiated a settlement directly with the miners. But the operators refused to accept the government-sponsored contract and Lewis ordered another strike, this time for seventeen days, disregarding the fact that his employer was now the federal government. Truman secured a federal injunction against Lewis which the mine leader defied as a violation of the Norris-La Guardia Anti-Injunction Act. Thereupon Justice T. Alan Goldsborough of the federal District Court for the District of Columbia declared Lewis and his UMW in contempt of court and fined the leader \$10,000 and his men \$3,500,000. In reviewing the case on March 6, 1947, the Supreme Court upheld the Goldsborough decision, ruling that the Norris-La Guardia Act did not prevent the federal government, as acting coal operator, from

issuing labor injunctions. But the UMW fine was ordered reduced to \$700,000 if Lewis canceled his notice terminating the labor contract—as he did. Subsequently, Lewis won a highly favorable contract for his loyal miners.

Labor on the Defensive: The Taft-Hartley Act

Like the tense labor-employer clashes after World War I, the conflicts following the Second World War were due to inflationary pressures, fears of communism, and determination of the unions to defend their wartime gains. Instead of three or four million organized workers as in 1919, there were now almost 14,000,000 actually working under written collective bargaining agreements, and union agents were organizing occupations affecting 29,000,000 men and women. The Wagner Act of 1935, successful in its objective of protecting collective bargaining, had been based on the belief that the employer's strength was so immense as to discourage really effective labor bargaining and that the forces of government had to be thrown in on the side of labor to correct the balance; hence the National Labor Relations Board had come into being.

By mid-1947 a conservative Congress, acting on the conviction that labor no longer needed extra advantages over capital, insisted that not only must unfair employer practices against labor be penalized but abusive actions by unions too must be given strong penalties beyond those currently provided by the statute books and in the courts. Large sections of public opinion had been antagonized by the wholesale work stoppages of 1946, by the defiant attitude of John L. Lewis, and by the backward methods of the building trades in handling the housing crisis. State laws against labor were beginning to sweep the country. In this emotional setting the Taft-Hartley Act was passed and later repassed over the President's stinging veto in June, 1947. In the House a bipartisan group of 225 Republicans and 106 Democrats supported the bill, leaving only seventy-one Democrats and eleven Republicans standing by Truman. A prolabor filibuster in the Senate collapsed when twenty Democrats joined forty-eight Republicans to override the veto.

To meet the long-standing charge that the National Labor Relations Board was "judge, jury, and prosecutor" to the injury of management, the act transferred considerable administrative power from

the Board to a President-appointed general counsel. He dealt with employers' complaints regarding unfair practices by labor. The NLRB had now the unpopular task of acting as umpire in jurisdictional disputes—some of them bloody civil wars between unions for the exclusive right to perform certain types of work—and strikes on such jurisdictional grounds were outlawed. To offset newspaper charges that unions were secretive, demanded extortionate fees, and paid exorbitant salaries, union officers were expected to file with the Department of Labor all relevant facts regarding finances, the size of initiation fees, and the dues collected. Above all, they were to file affidavits with the NLRB stating that they were not Communists. The officers of federated bodies like the CIO and the AFL, who neglected to make an anti-Communist affidavit, according to General Counsel Robert Denham, forfeited the rights of the constituent national unions to the services of the NLRB. This interpretation was later reversed by the NLRB, which held that only officers of independent or national unions rather than the officers of the CIO or the AFL need file anti-Communist affidavits.

To reduce work stoppages by strikes, a sixty-day cooling-off period was required for changes in labor contracts. Secondary boycotts by labor, which forced a business not directly involved in a dispute to cease dealing with another company or to cease using or handling its products, were banned. Also forbidden were strikes by one group intended to force the employer of another group to recognize a union. In cases where strikes violated labor contracts, such as a strike in defiance of a no-strike pledge, the unions might be sued in the federal courts, and damage claims against them were permissible. More definitely than ever before, unions were made suable and bound by the acts of their agents. Furthermore, the Norris-La Guardia Act was amended by the Taft-Hartley Law to allow the government to obtain injunctions in the federal courts against certain illegal strikes, thus resurrecting the injunction as a weapon against unions. Should a strike create a national emergency, such as the recent railroad strike, the federal Attorney General could seek an eighty-day injunction, during which a solution might be obtained through investigation, mediation, or, in the last resort, action by Congress. An independent mediation board under a director appointed by the

President was established to speed up conciliation work. No compulsory arbitration was attempted.

Among the new rules for collective bargaining were those outlawing closed-shop agreements which required that all employees hired be union members. However, a contract might require union membership of employees thirty days after hiring. Thus a *union shop*, but not a *closed shop*, was permitted. Employers were cheered by the elimination of "featherbedding," by which unions demanded payment for standby workers who might do nothing whatever. More difficult from the union point of view was the rule that a majority of all the employees in a plant, not merely of those voting, was required to approve a negotiated union-shop contract. After a year the contract might be challenged by 30 percent or more of the employees, or the employees might "decertify" or reject their bargaining agents and new elections would be ordered. Employers, too, could petition for new elections. A serious political blow was the ban on union contributions or expenditures for national primaries or elections. The New Deal had drawn heavily from union contributions.

Altogether, the Taft-Hartley Law, though not as strong as anti-union forces would have liked, angered many union leaders, who promptly dubbed it the "slave labor act" and campaigned for the President's veto. Defiant "wildcat" strikes broke out in ten states as a protest against the law. There were potentialities in the act for costly, destructive litigation, crippling injunctions, and frequent unsettling elections which might wear down union resources and discourage effective organizing. William Green of the AFL denounced the law as "reprehensible and vicious and destructive to the legal and civil rights of workers." The CIO under Philip Murray moved to make a test case of the ban on political contributions. John L. Lewis was even more open in his boycott of the law. He refused to sign the affidavit on communism as "insulting" and withdrew his United Mine Workers from the less-obdurate AFL, which had only recently welcomed him back to the fold.

President Truman, issuing the most belligerent veto message in recent history, argued that the law was unworkable, would force the government to intervene to a novel and injurious extent in labor bargaining, and would shift settlements from the informal bargain-

ing tables to the more inflexible courts of law. He held that the law constituted class legislation in its unequal penalties, and that the ban on political activity was "a dangerous intrusion on free speech." To this Senator Taft replied at length over the radio, denying practically every assertion of the President as erroneous. On the subject of prolonged litigation he retorted, "Everyone else in the United States is subject to harassment by lawsuits. Why not unions? . . . We have simply provided that unions are subject to the same general laws as any other corporation or agency or citizen." The Wagner Act, he contended, had been one-sided in its administration; the new law made it operate both ways.

The New Red Scare

Meanwhile, the nation was showing a tendency to break its exemplary wartime record for civil liberties by reverting to the Red scare pattern of 1919-1920. The increasingly tense international situation and the news that atomic bomb secrets had been betrayed to Russia by a network of spies encouraged Congressmen to embark upon investigations into Red infiltration. The new international Communist line attacking "American imperialism" and calling for its followers to refuse to fight in any war against Russia awakened fears of traitors at home. However, the unions escaped the brunt of the reaction by undertaking to clean house themselves and by eliminating Communists from key posts.

In July, 1948, eleven Communist party leaders were indicted under the Smith Act of 1940 for criminal conspiracy "to teach and advocate the overthrow and destruction of the United States government by force and violence." They were convicted and sentenced a year later after a stormy trial. In effect this action drove the Communist party underground, a result deplored by the head of the FBI, who preferred to keep the Communists in sight. Those who agreed with the President that the current investigations were "a Red herring" were shaken by the revelations uncovered at the perjury trials of a former State Department member, Alger Hiss, during 1948-1950. Whittaker Chambers, his chief accuser, was a former Communist courier who testified and produced evidence that he had received copies of confidential State Department files from Hiss. Other sensational espionage trials added further tenseness to the at-

mosphere. Motion pictures and radio programs found a fascinating subject in the Red spy. Politicians who used the Red issue won elections.

Under these circumstances, the House Committee on Un-American Activities (and state legislatures too) was spurred on to new activity. Hollywood, the colleges, and numerous private organizations came under their scrutiny. Defenders of civil liberties protested that these hearings invaded privacy and were actually trials conducted without the traditional safeguards of the courtroom. The most zealous foe of the administration, Senator Joseph McCarthy of Wisconsin, charged without proof that there were 205 card-carrying Communists in the State Department and also asserted, with little more evidence, that the scholar, Professor Owen J. Lattimore of Johns Hopkins University, was a top Soviet espionage agent who had advised the administration on Far Eastern policy. Although a subcommittee of the Senate Foreign Relations Committee denounced McCarthy's charges as "the technique of the Big Lie," the Senator's later success in the Wisconsin primaries of 1952 restored his political prestige.

Responding to public pressure, Truman issued an executive order on March 21, 1947, calling for a loyalty investigation of every person in civilian government service. Certain safeguards against persecution were offered the accused such as the right to appear with counsel at a loyalty board hearing, present evidence in his own behalf, have adequate advance notice of the specific charges against him, and have the right to appeal to a Civil Service Loyalty Review Board. The chief criteria for disloyalty were sabotage, espionage, knowingly associating with spies and saboteurs, treason, the advocacy of sedition or revolution, or "membership in, affiliation with or sympathetic association with any foreign or domestic organization, association, movement, group or combination of persons, designated by the Attorney General as totalitarian, Fascist, Communist, or subversive. . . ." Ten months after the program had been put into effect, George Britt, editor of *Survey Graphic*, charged that the loyalty order had "loosed such a swarm of unrestricted intimidation, snooping, and tattling upon government employees as Washington perhaps never in all its days had seen before." The test of "guilt by association" and the later rule that dismissal required only a "rea-

sonable doubt" discouraged many specialists from accepting government service at a time when experts were in critical demand.

The loyalty issue raised a storm of controversy. Perhaps the best statement of the point of view once taken by Justice Oliver Wendell Holmes was given by the noted historian Henry S. Commager of Columbia, in an article for *Harper's Magazine* entitled "Who Is Loyal to America?" Pointing out the current intellectual confusion and timidity besetting educators as well as politicians, he went on to say: "What is the new loyalty? It is, above all, conformity. It is the uncritical and unquestioning acceptance of America as it is—the political institutions, the social relationships, the economic practices. It rejects inquiry into the race question or socialized medicine or public housing or into the wisdom or validity of our foreign policy. . . . Every effort to confine Americanism to a single pattern, to constrain it to a single formula, is disloyalty to everything that is valid in Americanism." To him, those who were really disloyal were men "who inflame racial hatreds, who sow religious and class dissensions." While the pragmatic philosophy of Holmes and Commager was coming under increasing attack from those who rejected any kind of relativism, most academicians felt deeply concerned over the threat to free speech.

The Anti-Segregation Movement

Unlike 1919–1926, this era witnessed major advances in race relations. The Negro vote had become more weighty as hundreds of thousands left those southern communities where disfranchisement of the race was so general. Red propaganda within the United Nations publicized news regarding any mistreatment of Negroes and embarrassed American diplomacy in the Far East. Truman decided to begin an active campaign against segregation and other racial abuses. His special Committee on Civil Rights originated his chief recommendations to Congress on the subject. The Truman Committee, after denouncing the "state of near hysteria" over Communists, called for a "new charter of human freedom" which included a federal fair employment practices act to end discrimination in hiring by private concerns, a federal antilynching law, the abolition of poll taxes and white primaries, and the removal of residential restrictions because of race.

Most of these recommendations had little chance of getting through Congress, but the President used his executive authority to achieve some of the same ends. On July 26, 1948, he directed "equality of treatment for all persons in the armed services without regard to race, color, religion, or national origin." This long step toward integrating the Negro within the population had already been criticized by Generals Bradley and Eisenhower as unwise. Contrary to expectations, the attack on segregation was surprisingly successful and was reported to have raised the morale of the fighting forces in 1952-1953 during the Korean War. Under the scrutiny of a special committee appointed by Truman, the Army wiped out occupation quotas based on race and eliminated segregation among basic training units. The Air Force also acted promptly and vigorously. In the Navy, where Negroes had usually been relegated to the menial posts of steward and kitchen helper, more of them were given other tasks; but there were relatively few Negro naval officers.

The President gave a further stimulus to racial integration by banning segregation in federally supported schools. The National Association for the Advancement of Colored People won several victories in the federal courts for its contention that segregation in the public schools violated the Fourteenth Amendment; this weakened the precedent of *Plessy v. Ferguson* (1896), which had permitted "separate and equal accommodations." In *Morgan v. Virginia* (1946), the Supreme Court upheld the right of a Negro woman traveling in an interstate bus to refuse to sit in the Negro section. The Court denied that the state's police power extended to segregation in interstate commerce. However, two southern governors, Byrnes of South Carolina and Talmadge of Georgia, threatened to abolish the public-school system if the courts tried to do away with the dual school system.

But on May 17, 1954, President Eisenhower's newly appointed Chief Justice Earl Warren read two unanimous Supreme Court opinions covering a series of cases in which he rejected the "separate and equal accommodations" doctrine as contrary to the Fourteenth Amendment. Even equal school facilities did not alter the fact that racial segregation "generates a feeling of inferiority as to their [the Negroes'] status in the community . . ." Thus Americans upheld the abiding vitality of the Declaration of Independence.

Politics: Swing to the Right

Truman's feud with the Seventy-Ninth and Eightieth Congresses was to some extent a continuation of Roosevelt's long battle with the conservative bipartisan coalition. The President failed to secure a "full employment" bill (the Murray-Wagner bill) which combined economic studies with a proposal for substantial expenditures to be made in case of a recession. Foes of federal spending altered the plan to such an extent that the ensuing Maximum Employment Act of 1946 was little more than a research and planning venture. Still, the economic reports that resulted proved useful to statesmen, businessmen, and scholars.

Those depending upon the old-age assistance and other welfare programs under the Social Security Act clamored for years before major adjustments to meet the high cost of living were made in Congress, though funds were released in 1946 to aid the more needy states. The 2,300,000 people receiving old-age assistance in 1947 had to support themselves upon an average of \$36.91 a month. The administration-sponsored Murray-Wagner-Dingell bill, which proposed to add health insurance to the social security system, could not surmount the opposition of the American Medical Association to "socialized medicine" and it failed to pass. Moving on a less ambitious scale, Congress passed the National Mental Health Act in 1946, which reflected the strong current interest in psychiatry. It set up a National Institute for Mental Health to investigate and develop methods of preventing insanity. For this purpose federal grants were made to the states. A National School Lunch Act removed some of the regional inequities as far as diet for school children was concerned by extending federal grants-in-aid to help the states operate a nonprofit school lunch program. But federal aid to education failed to break through the impasse of religious controversy.

Very important from the standpoint of parliamentary efficiency was the Reorganization Act of 1946, which modernized Congress by reducing the numerous House standing committees from forty-eight to nineteen and the Senate committees from thirty-three to fifteen. The registration of lobbyists, a step long regarded as desirable, became mandatory. Perhaps more significant still was the Reorganization Act of 1947, which set up a nonpartisan Commission on Organi-

zation of the Executive Branch. Under the chairmanship of Herbert Hoover the Commission and its staff prepared recommendations that were expected to save several billion dollars in office and accounting expenses and in needless duplication of activities. A new reorganization act in 1919 gave the President power to order major reorganizations within the federal government subject to a congressional veto. However, the Congressmen did block Truman's effort to realize one of the recommendations—a new cabinet department of welfare; only after Eisenhower's inauguration in 1953 did Congress feel that it could trust such a department (with its potentialities for “socialized medicine”) to the Chief Executive.

In a shrewdly conducted campaign during 1946, the Republicans capitalized upon the citizen's dissatisfaction with shortages, controls, strikes, and the alleged softness of the administration toward Communists. “Had enough? Vote Republican!” proved a winning slogan. The GOP won both houses for the first time in sixteen years and by wide margins. It now held twenty-five governorships and twenty-eight state legislatures. Rock-ribbed conservatives like John Bricker of Ohio, Senate candidate, won impressive majorities.

The Republican Eightieth Congress (1946-1948) proved as conservative as the campaign indicated. This body, it will be recalled, passed the Taft-Hartley Act of 1947, scrapped most housing controls, abolished the veterans' housing program, weakened rent control, and went far to restore prewar competitive conditions. In foreign affairs there appeared greater reluctance to follow Truman's leadership, but internationalists like Senator Arthur Vandenberg of Michigan and fears of communism prevented any serious break in policy. The shade of Roosevelt affected Congressmen sufficiently so that they passed a constitutional amendment, for consideration by the states, limiting Presidents to two terms of office. The Twenty-Second Amendment (which exempted Truman from its provisions) became law in February, 1951. Another constitutional change, inspired by the current situation, took the form of a statute rather than an amendment. This was the Presidential Succession Act of 1947, replacing the law of 1886. President Truman, who had risen from the Vice-Presidency, felt that it was undemocratic for him to be succeeded under the prevailing law by his own appointees in the Cabinet beginning with the Secretary of State. He proposed that the

elected Speaker of the House and after him the Senate President pro tempore succeed as acting President until a special presidential election could be arranged. Congress, apparently pleased by the proposal, adopted the suggestion but dropped the special election idea. The law called for the Speaker, the Senate President pro tempore, and after them the Cabinet members, in the usual order, to succeed to the Presidency whenever the President and Vice-President both died or failed to qualify for office.

One major defeat for the Republican majority came in their 1947 program of tax reduction to which they had pledged themselves in the election. Some tax relief had already been afforded in the Revenue Act of 1945, which sought to aid reconversion by repealing excess corporate profits taxes and offering other retroactive concessions that reduced the tax liabilities of corporations by two billions. By restoring the \$500 income tax exemption for each spouse and dependent, some twelve million persons had been relieved from paying taxes. Now in the 1946-1947 revenue bill the Republicans attempted an "across the board" reduction in income tax of 10 to 30 percent, an estimated four billions in tax relief. Truman rejected this bill as offering too little to the small taxpayer and too much to the large one. Besides, he argued that periods of high employment and national income should be used to help retire the huge national debt of \$269,422,009,173. To do otherwise was to add to inflationary pressures. In April, 1948, Congress finally defeated the administration overwhelmingly and raised exemptions and deductions generously.

Truman's Reëlection

As the presidential race of 1948 drew near, a *Fortune* poll of September, 1947, showed that only Governor Thomas Dewey of New York among the Republican candidates was managing to keep ahead of Truman, but only by 45 percent to the President's 43. The Gallup poll reported that General Dwight Eisenhower would be the most powerful contender for the Republican nomination, but the general flatly refused to run and accepted instead the presidency of Columbia University. The Republicans grew fatally complacent when a Gallup poll of April, 1948, indicated that Truman was now slipping so rapidly that not only Dewey, but Stassen, Vandenberg, and Douglas MacArthur were running ahead of him. Confident of victory, the

Republicans met at Philadelphia and nominated Dewey on the third ballot after eliminating Taft and Stassen. Governor Earl Warren, who was popular with both parties in California, became the vice-presidential nominee. The platform reflected Dewey's current internationalism by endorsing the Marshall Plan; also included were demands for economy, tax reduction, and new anti-Communist measures.

The Democrats were torn by secessionist movements. In January, 1948, Henry Wallace announced that he would head a third party to protest the drift to war and to fight the bipartisan reaction that infected Congress. A Gallup poll and a New York by-election revealed that he would draw heavily from Truman's strength. At the same time, a southern revolt against the President's civil liberties program was in the making. With the Negroes voting Democratic, the original *raison d'être* for a solid Democratic South seemed to be disappearing. The Democratic convention (also held at Philadelphia) nominated Truman on the first ballot, but the South registered its opposition by casting 263 votes for Senator Richard B. Russell of Georgia. Alben W. Barkley, Kentucky's veteran New Deal Senator, was given the vice-presidential nomination.

Truman refused to take the pollsters seriously. He counted on the unwavering support of the CIO and the AFL; even the railroad brotherhoods forgave him for breaking their strike. Labor felt bitter about the recent antistrike bills and inflation. Staple farmers of the Middle West, who the Republicans assumed were safely within their party, showed marked interest in Truman's assurances of substantial price supports in the event of a recession. Many of Wallace's New Deal supporters returned to Truman after it became clear that the Progressive party was thoroughly infiltrated with Communists. While Dewey conducted a cautious noncommittal campaign, confident that victory was his, Truman undertook a strenuous "whistle stop" train tour in doubtful areas, winning over many by his homely humor and his pungent attacks upon the Eightieth Congress.

On election day Truman won by 303 electoral votes to Dewey's 189 (the largest for any Republican candidate since 1928). Truman's popular vote was 24,100,000 to Dewey's 21,900,000, a much closer margin than in the Roosevelt elections. However, Truman had actually withstood the Dixiecrats under Governor J. S. Thurmond of

South Carolina, which cost the President 1,100,000 votes and 39 electoral votes that would normally be counted in the Democratic column. In addition, he had been able to overcome the Wallace defection of 1,100,000 votes for the Progressives. Jubilantly, Truman noted that he now had a predominantly Democratic Congress. The staple farmers of Iowa, Wisconsin, and Minnesota, who had been expected to put their states in the Republican column, aided the Democrats instead. Thus the President who had suffered so much criticism as the mere heir of an accident now claimed a victory under the most difficult political handicaps. One no longer heard the old jeer, "Don't shoot the piano player. He's doing his best."

The Armed Forces: Toward Universal Military Training

With the election over and the world situation going from bad to worse, Truman again urged Congress to adopt universal military service. In his Army Day speech of 1946, he had argued, "Only so long as we remain strong can we insure the peace of the world." He then pointed out that we had been compelled to undertake global commitments and had pledged ourselves to support the United Nations to the utmost. "We know, too, that we are not likely again to be given two years or more by heroic allies to get ready. Next time—if there must be a next time—we are likely to be the first target." Unofficial estimates of the cost of military training were as high as two or three billions annually in order to maintain a reserve of several million men. Critics as diverse as Henry Wallace, Senator Robert Taft, and Albert Einstein condemned the plan as militaristic; but the Gallup poll showed 65 percent favorable to the idea.

Congress had at first reflected the popular desire to forget the draft. The Selective Service Act of 1940 had been permitted to die a natural death on March 31, 1947, but the experiment with volunteers had failed. Too few were available and too many of these were of low caliber, sometimes inclined to black marketeering and disgraceful conduct. Secretary Marshall warned the country that we must avoid "unilateral disarmament" and keep up our military quality to survive. In 1948 Congress passed a new Selective Service Act which spurred on enlistments, but budget cuts at first made this law ineffective. After the Red Korean invasion energetic steps were taken to raise levies of nearly 800,000 men between September, 1950, and January, 1952.

In June, 1951, the Universal Military Training and Service Act finally passed, but it actually left the peacetime military training aspect for future action by Congress. All youths between eighteen and a half and twenty-six were declared liable at once for training and service during a period of twenty-four months; each would be obligated to remain thereafter in the Reserve up to a maximum of six years. High-school students with satisfactory grades were deferred until graduation or until they reached the age of twenty. College youths were also granted deferments subject to certain restrictions. As for the Universal Military Training provisions, these were administered by a five-man National Security Training Commission appointed by the President; they would draw up the details of the UMT program for youths of eighteen and nineteen.

Meanwhile, Congress had passed in July, 1947, the administration bill for the unification of the armed forces, a plan discussed since Spanish-American War days. This created a civilian secretary of national defense of Cabinet rank and three new non-Cabinet secretaries—for the Army, the Navy, and the Air Force. The same law provided for a joint board of chiefs of staff, a National Security Council, a National Resources Board, a Munitions Board, and a Research Board. However, the first Secretary of National Defense, James Forrestal, reported that he lacked the legal authority to eliminate friction between the services. Thereupon, Congress put through a new unification bill in 1949 establishing a chairman for the Joint Board of Chiefs of Staff (General Omar Bradley assumed it), who would act as the chief military adviser to the Secretary of National Defense.

Navy men were unhappy about the reduced role assigned to them under the unification plan, especially the fact that the Air Force was given control over strategic bombing. After the new Secretary of National Defense, Louis Johnson, canceled the building of a huge super-carrier intended to serve as a base for heavy bombers, the interservice feud broke out into the open. Congressmen and the whole world listened to the testimony of the armed forces regarding the strategic bombing of the USSR; and the diplomats of that country did not let the moment pass without pointing this out as evidence of aggressive intentions. Truman felt compelled in 1950 to dismiss Admiral Louis E. Denfield, Chief of Naval Operations, who had rebelled against the unification program.

By 1953 the Army had grown to nearly 1,600,000 men, the Navy to 855,000, and the Air Force personnel to 970,000. However, Congress refused to consider any heavy expenditures for civil defense against atomic bombs on the ground that the plans were inadequate. Beginning in July, 1952, a Ground Observers Corps of civilian volunteers was organized, directed by experts, to supplement the Air Defense Command's radar net. Defenses were strengthened by multiplying the number of air bases over the globe in order to avert a new Pearl Harbor.

The armed strength of the country was greatly increased by mass production of new types of weapons such as pilotless missile-carrying planes and atomic guns of various kinds. Plans were made to expand atomic production by adding a huge \$1.2 billion gaseous diffusion plant in Pike County, Ohio, to the atomic plants existing at Oak Ridge, Tennessee, and Paducah, Kentucky. Experiments with the hydrogen bomb went on in South Carolina. Although men of good will hoped that the new atomic sources of energy could be diverted to peacetime uses, none could afford under existing circumstances to permit the nation's weapons to become obsolete.

Korea and Economic Mobilization

The Korean War did not rescue America from the recession of 1949, for economic recovery was largely complete before the June, 1950, attack. But the war proved too severe a strain to leave the total economy untouched, especially at a time when defense spending was running high. Congressmen reluctantly gave up all hope of tax reduction and voted a huge defense budget of \$41.7 billion for 1950-1951. A new federal tax law greatly increased individual and corporate taxes. Inflation, which had been partly checked, reached menacing levels once more as consumers embarked on a buying spree in anticipation of higher prices and shortages. Union leaders who had been absorbed in the strategy of winning long-run social benefits such as pensions now demanded another round of wage increases. Wartime controls over the economy had largely disappeared, except for a few sectors like rent control, but overnight they returned.

To mobilize the economy for limited war, Congress passed the Defense Production Act of September, 1950, which gave the President broad powers to allocate materials and to regulate credit, prices, and

wages. Installment credit was restricted and the size of down payments on homes was raised. To check inflation further, the Federal Reserve system raised the rediscount rate. At the same time, an Economic Stabilization Agency was announced to keep wages and prices in balance. After trying voluntary methods first, as Congress required, the ESA turned to compulsion by issuing orders freezing wages, salaries, and prices. The ESA operated through an Office of Price Stabilization (under the energetic former mayor of Toledo, Michael Di Salle), a Wage Stabilization Board, an Office of Rent Stabilization, and several more. Congress scrutinized the agencies closely, determined to keep economic controls at the absolute minimum. By 1952 Congress had stripped the ESA of authority to control prices on many daily items needed by housewives, halted price rollbacks on beef, weakened rent controls, and left so many gaps in price control as to discourage the administration. Fortunately, by that time the great productivity of the American economy had made possible the dismantling of controls without undue hardship.

In December, 1950, Truman had proclaimed a state of national emergency and created an Office of Defense Mobilization under Charles E. Wilson, president of the General Electric Company, to coordinate and direct all mobilization activities. Wilson announced on July 4, 1951, that overall industrial production had risen 12 percent since the outbreak of the Korean War and would increase by 12 to 15 percent more by mid-1953. The general standard of living had not suffered.

Nevertheless the new inflation caused many strikes. The longest and costliest steel strike in American history occurred in 1952, preceded by demands of the United Steelworkers for raises, "fringe benefits," and a union shop. When the Wage Stabilization Board offered a compromise, which included the union shop, the steel companies rejected it as coercion against their nonunion employees. The OPS entered the picture by refusing to grant the companies the full compensatory raise in steel prices that the companies expected in return for wage increases. Before this stalemate could precipitate a nation-wide strike, Truman ordered Secretary of Commerce Sawyer to seize the steel plants. However, the companies prevented seizure by securing an injunction which the Supreme Court promptly upheld.

The union officials then ordered a walkout of their 650,000 members, stopped Detroit's assembly lines, crippled the steel and allied industries, and closed the Army's largest shell-making plant. The unions charged that the companies were trying to force Truman to invoke the labor injunction provision under the Taft-Hartley Act; the steel executives declared that the President was avoiding the act because he had made its repeal a campaign issue. Truman replied that he had already used the act, but that it was unfair to add the eighty-day "cooling-off" period to the ninety-nine days that the unions had waited. Finally, he succeeded in mediating between the two parties and arranging a settlement. The strike had cost the nation fifteen million tons of steel and about \$400 million in wages. Congress struck at the administration by reducing the WSB to an advisory position.

Immigration: The McCarran-Walter Act of 1952

Shortly after World War II, the annual number of permanent immigrants passed the 100,000 mark for the first time since 1930. With many thousands of families of "displaced persons" filling the Allied camps and postwar distress rendering the endemic problem of European overpopulation acute, this was a miniature "horde" indeed. The newcomers were political émigrés, G.I. brides, ethnic Germans who fled the Soviet-dominated Baltic states and eastern Europe, and an increasing proportion of Latin-Americans and Canadians, who enjoyed immunity from the quota laws. A large but unknown number of Mexican "wetbacks" escaped the strict requirements of the Immigration Office by crossing illegally the unguarded sections of the Rio Grande. Human considerations led Congress to enact the Displaced Persons Act of 1948, which, together with amendments, authorized visas for 400,000 displaced persons and 5000 adopted orphans.

Nationalistic sentiment colored the McCarran-Walter Immigration and Nationality Act of 1952. On June 26-27, Congress overrode Truman's veto, which had condemned the bill as racist in nature. The "omnibus" law codified and revised existing statutes on immigration and naturalization. It reaffirmed the "national origins" principle of the 1924 law by favoring Nordics. The quota for each country was to be one-sixth of one percent of the number of persons of

that national origin living in the United States in 1920 or 100, whichever was greater. This meant that southern and eastern European countries which needed emigration most had the smallest quotas. Preference was given to relatives of American citizens, especially newcomers with urgently needed skills. On the favorable side was the fact that the total exclusion of Asians was ended to permit a minimum quota of 100. But the racist thinking was clearly evident in the rule that oriental quotas would apply if a person, even though living in a European country, had one Asian parent. The law also gave the Attorney General more power to expedite deportations, and naturalization rules were greatly tightened.

Senator Patrick McCarran, an antiadministration Democrat of Nevada, fought off liberal substitutes for his bill that were proposed by Senator Herbert H. Lehman of New York, Representative Franklin D. Roosevelt, Jr., and Senator Hubert H. Humphrey of Minnesota. McCarran asserted that these proposals would open the gates to "a flood of Orientals." Strong protests poured in from practically every major church organization, the national unions, and various ethnic groups. Truman encouraged a revisionist movement by appointing, on September 4, 1952, a Commission on Immigration and Naturalization to study the effects of the new law.

The Election of Eisenhower

After Truman's surprising victory in 1948, the Republican strategists resolved to take no chances in the 1952 battle. Their international wing under Senator Henry Cabot Lodge, Jr., of Massachusetts turned to the popular Eisenhower, who the Gallup polls indicated could win on either ticket. While the nationalists and professionals preferred Taft, there was some uncertainty as to whether he could be elected. Eisenhower had been assigned to many major roles since the day of May 6, 1945, at Reims when he had accepted the unconditional surrender of Germany. In succession, he had been the first military governor of the United States zone in Germany, the Army Chief of Staff, the president of Columbia University, temporary chairman of the Joint Chiefs of Staff (when he had tried to iron out interservice frictions), author of the best-selling book of military memoirs, *Crusade in Europe*, and commander of NATO forces. For years he had been urged to run for the Presidency—even Truman

himself (according to Eisenhower) had offered to back him for this high position, but he had refused. But the politicians did not give up so easily; perhaps they recalled the fact that the conservative Whig party could win the Presidency only with generals—"Old Tippecanoe" Harrison and Zachary Taylor. On January 7, 1952, Eisenhower declared himself willing to accept a Republican nomination if drafted. Enthusiastically, the Republicans prepared to return to power by nominating him at Chicago on the first ballot. Senator Richard M. Nixon of California, who had helped to convict Alger Hiss, was given the second place.

The Democratic race became a free-for-all with the emphatic refusal of Truman to run again. One of the leading contenders was Senator Estes Kefauver of Tennessee, a consistent New Dealer, though critical of Truman. He had won national fame through the extraordinary television publicity given the hearings of his Senate Committee on Crime. Patiently in his Daniel Boone coonskin cap he had canvassed state after state in the primaries, but his imposing victories, as Truman had predicted, turned out to be "mere eye-wash." Illinois Democrats organized a successful "Draft Stevenson" campaign to capture the nomination for the popular Illinois governor, Adlai E. Stevenson. This Democrat was the grandson and namesake of Grover Cleveland's Vice-President of the nineties. He was a well-to-do lawyer, editor, and statesman, who had filled many New Deal posts and been active in the anti-segregation drive of Truman's Fair Deal. He had defeated the notorious Green machine in 1948 by the largest plurality in the state's history. On the third ballot of the Democratic convention at Chicago, Stevenson won out over Senators Kefauver and Richard B. Russell of Georgia. A liberal Southerner, Senator John J. Sparkman of Alabama, was selected as his running mate.

Eisenhower seemed a drab campaigner alongside the sprightly Stevenson, but the general made many friends when he promised if elected to go to Korea to see what could be done for peace. He blamed Truman for "bungling" the country into the Chinese debacle and the Korean War and he promised to clean up the "mess" of recent scandals and extravagance. Southern enemies of Truman's civil rights program, like Byrnes of South Carolina, bolted their party for Eisenhower.

Stevenson was strongly supported by Truman, who set forth on a new "whistle stop" trip as in 1948. But the Illinois governor could not overcome the hostility of the "one-party press," as Democrats put it. While he was editorially supported by 14.52 percent of the daily newspapers, Eisenhower was backed by 67.34 percent of them and 80.24 percent of the total circulation. Secondly, his party could not finance as many radio and television political broadcasts as their opponents. The Republicans were able to pay \$3.4 million for this purpose, but the Democrats only \$2.6 million. Even the combined support of the CIO and the AFL proved insufficient to defeat Eisenhower. Stevenson delighted his followers with his forthright speeches, though they often cost him votes. He gave civil rights speeches to southern audiences, defended federal ownership of the oil tidelands in the oil state of Texas, and told the American Legion that he would resist any pressure group, specifically including the American Legion.

November brought a great personal victory for Eisenhower, for he not only beat Stevenson by a huge margin but ran far ahead of his own party, including Senator Joseph McCarthy. He swept every state but nine, and these were traditionally Democratic; he even carried Texas, Florida, Virginia, and Tennessee. But his impressive electoral victory of 442 to 39 was not accurately reflected in the popular vote of 33.9 million to 27.3. Republicans were elated to see the inroads that they had made in the South but saddened by their slight margins in Congress. Even with victories in twenty-three out of thirty-five Senate contests, they held only forty-eight seats to the Democrats' forty-seven, and a Stevenson Republican, Wayne Morse, retained the remaining seat. In the House there were 221 Republicans and 213 Democrats, a margin of only eight. On this basis the Democrats predicted the recapture of Congress in 1954. However, they lost two able Fair Deal Senators in William Benton of Connecticut and Joseph O'Mahoney of Wyoming.

Mid-Century Census: Triumph of Suburbia

The census of 1950 pictured a predominantly suburban America growing at a much faster rate than in recent decades. The population had increased by 14.5 percent, raising the total from 131.6 million to 150.6. For the first time in many decades the family actually

increased in size while the death rate continued to decline. Couples were marrying two or three years younger than in 1900 and large families of children were no longer looked upon as shamefacedly as in the recent past. Children under ten had increased to 40 percent; the depression years were responsible for the fact that the ten to twenty-four age group had shrunk by 7 percent. The war explained the sudden rise in 1946 of the divorce rate to an all-time high of 4.4 per thousand, but by 1950 the figure had dropped to a prewar level of 2.5. As in the past, the United States had more divorces than any other country, and Nevada with its brief residence period still attracted most of those seeking the dissolution of the marriage bond. Margaret Mead, the anthropologist, pointed out in *Male and Female* that divorce had added a basic source of insecurity to American life; one no longer felt absolutely certain that his life partner was for life.

War and industrialization spurred on the movement of families from one part of the country to another. Half of the counties in the United States lost population. The westward movement to southern California and its neighbors was reflected in California's gain of seven seats in Congress while Pennsylvania lost three and Missouri, New York, and Oklahoma two each. Four-fifths of the nation's increase centered in 168 metropolitan areas, mostly in the immediate suburbs of the great cities. This flowering of Suburbia continued previous trends; the rise of larger families required housing that was available only in the outlying areas rather than in the crowded apartment sections where children were frequently not welcome. Suburbia was not isolated in this decade of the two-car garage and television.

The social implications of suburban life were pondered over by politicians, sociologists, and city planners, as well as by the ordinary citizen. After the election of 1952, experts asserted that the middle-class quality of suburban life had made conservative many who might have been more receptive to Stevenson and the political appeal of the unions. Usually the suburbs outside of Dixie voted Republican, and even there the pattern had begun to resemble that of the North. Public transportation staggered under the financial burden of covering a wide metropolitan area particularly when the buses had to compete with the ubiquitous automobile.

As the whites moved into the suburbs, the southern Negroes set-

tled in the older sections of the city. During the war and postwar years the Negro exodus from the South increased the population of that race in the West by three-fourths and in the North by one-half. Chicago's Negro population grew by 80.5 percent and established new residential sections on the North Side as well as the South; Los Angeles' Negroes advanced by 116.2 percent and lived far beyond the former Central Avenue section; San Francisco, with a comparatively small Negro population formerly, now counted a growth of 155.9 percent; Detroit, with an insatiable need for unskilled labor, recorded an increase of 101.4 percent in its colored population; and in Milwaukee the rate of expansion was 144.7 percent. Welfare agencies and civic coöperation did a great deal in reducing friction over housing and jobs. This movement from the South where Negroes had been largely disfranchised, to northern states which permitted enfranchisement meant that the Negro now enjoyed greater political power and that politicians would be more responsive to the need for urban redevelopment, low-cost housing, anti-segregation laws, and fair employment practices acts. Besides, the world situation and the ideals of the United Nations had focused attention upon the problem of racial and cultural minorities.

Farmers had prospered greatly during these years, but their numbers had fallen off by a sixth and their families totaled 24.3 million persons in 1950. The Rural Electrification Administration, born in New Deal days, was able to report that 84 percent of American farms now had power-line electric service as compared to the 11 percent of 1935. This agency was making substantial loans to communities to establish telephone service among that half of the farm families which still lacked this convenience in 1950. Electricity and telephones were held by the REA to be major needs for efficient farming as well as a higher standard of living.

Postwar Educational Trends

The 34,700,000 young people in schools and colleges in 1953 acquired their education under difficult circumstances. Elementary-school facilities were strained as numerous families moved into the metropolitan areas; the suburbs could scarcely build enough schools and other urban institutions to accommodate the influx. The unusually high birth rate was reflected in overcrowded kindergartens

and lower grades and in the frequent division of pupils into morning and afternoon shifts. Inflation drove many competent teachers out of their low-paid profession into private industry. Even after several raises had been given, the average 1952 salary was still only \$3167 annually, a figure not far from the unskilled level; Mississippi at the bottom paid \$1560 and New York at the very top paid \$1500. Federal proposals for aid to the schools were usually buried in committee because of a perennial controversy over assistance to parochial schools, a step which liberals felt violated the principle of the separation of church and state.

The new commercial exploitation of frequency modulation (FM) and television affected educational life. Unfortunately FM, which had been expected to offer an abundance of classical programs with greater sound fidelity, tended to reproduce the identical mediocre programs given by the standard AM stations. Television, like other forms of mass communication, shaped its programs usually for the less discriminating. Children became avid television fans. A study by St. Xavier University of a thousand sixth- and seventh-graders in Cincinnati showed that they spent thirty hours a week watching variety, westerns, and mystery-crime programs. Some of the colleges, led by Western Reserve University and the University of California, experimented with worth-while adult education offerings and presented televised college courses for credit. Technicians, medical students, instructors in the armed services, and others made considerable use of television in studying technical processes or in teaching large classes.

The colleges and universities were overcrowded after the passage of the "G.I. Bill of Rights" (the Servicemen's Readjustment Act), which offered education and living expenses to the veterans depending on length of service and marital status. The response was amazing. At the peak of veterans' enrollment in 1947 well over one million out of the two and one-half million college students were former servicemen; thereafter the number fell off rapidly. In 1952 a new G.I. Bill of Rights was passed to extend similar benefits to the much smaller number of Korean veterans. Despite crowding, standards did not suffer too greatly, for the veterans brought with them maturity and an acute desire to catch up with the years that they had lost from their civilian life.

The current Red scare had an unfortunate effect on education. A national wave of teachers' loyalty oath laws swept the country on a far greater scale than in the twenties. They were accompanied by state and national investigations into the loyalty of teachers and professors, forcing many dismissals and resignations. Universities, with the exception of some like Harvard, discharged men who invoked the Fifth Amendment as ground for refusing to answer the legislative committee's question as to whether they were Communists. Fear of perjury charges and possible imprisonment on this account led some to stand on their rights to refuse to answer. The University of California dismissed scores of professors who refused to sign a loyalty oath, but the state court declared the oath requirement a violation of California's constitution and ordered the reinstatement of those dismissed. Teachers resented the fact that they were singled out among professional groups for doubts as to loyalty. One can easily infer to what extent the objectivity of social science teaching was affected during these years.

On the more cheerful side was the progress made toward international understanding through scholarly exchange programs. Under the Fulbright and Smith-Mundt laws, teachers, students, librarians, and technicians were exchanged with those of foreign institutions. This educational exchange program used funds represented by foreign currencies credited to the United States for government property left abroad after the war. As a result of these programs, and for other reasons, there were thirty thousand foreign students studying in this country by 1950, especially those from Canada, China, and Germany.

Neoorthodoxy and the Separation of Church and State

By mid-century, men felt too insecure in the midst of wars, dictators, and lethal weapons to continue to worship science and progress as God and heaven. Perhaps a "one world" consciousness influenced the new trend toward religious orthodoxy. Some attributed the change to conscious efforts to use Christian doctrine as an ideological foil to communism.

A decided reaction in philosophy and theology against pragmatism and secularism had begun during the 1930's when the Hutchins-Adler idealistic revolt at the University of Chicago attracted national

attention. These men had attacked the ethical relativists who had substituted a changing "frame of reference" for absolute truths. At the same time Catholic professors were emphasizing neo-Thomism, which tried to overthrow secularism by breaking down the modern separation between the intellectual and the spiritual. Protestants, following the Swiss theologian Karl Barth, rebelled against the liberal social gospellers who had blurred the distinction between the secular and the spiritual by stressing the immanence of God within human society. Barthians like Reinhold Niebuhr, the theologian, now felt overwhelmed by the sinfulness of man, which made real progress impossible. These pessimistic neoorthodox believers went back to St. Augustine and John Calvin for their conviction of man's fallen estate. Churches which retained the largest elements of supernaturalism gained rapidly at the expense of the liberal churches. Fundamentalist sects grew at a fast pace and eloquent revivalists like Billy Graham sounded the salvationist note for huge audiences. Catholic growth was reflected in the fact that Catholic parochial schools had enrolled three million children, an increase of 35 percent since 1938.

Intellectuals as well as the less tutored turned more than ever to books on religion. According to Eugene Exman, head of Harper & Brothers' Religious Book Department, the sales of such books had risen from 4.7 percent of all book sales in 1935 to 9.9 in 1947; by that time the annual number of religious books sold had reached 42.5 million. Among the best sellers in any category were Rabbi Joshua Liebman's *Peace of Mind*, Lecomte du Nouy's *Human Destiny*, Harry E. Fosdick's *The Man from Nazareth*, Lloyd Douglas' *The Robe*, and Franz Werfel's *The Song of Bernadette*. Most Protestant groups coöperated in the publication and distribution of the *New Revised Standard Version of the Bible*, a major event in Biblical revisions since the King James Version of 1611. This modernized translation was based on manuscripts that had not all been available to the theologians of the seventeenth century; it quickly sold over two million copies and could easily count on the sale or distribution of millions more. So much religious ferment did not escape controversy. Catholics were deeply offended by Paul Blanshard's best-selling book, *American Freedom and Catholic Power*. Although it was intended as a discussion not of religion but of institutional

power, the book was criticized by Catholic reviewers as grossly exaggerated and prejudiced.

The most serious controversy revolved around the historic principle of the separation of church and state in education. Puritan New England and the Anglican South had carried over the medieval idea of the unity of church and state, but the advance of secularism and liberalism had separated the two. The First Amendment to the Constitution had forbidden Congress to make any law "respecting an establishment of religion, or prohibiting the free exercise thereof." In a nation of many sects, compromise favored the principle of separation, which took the Bible, prayer reading, and catechism out of the public schools (although many exceptions existed).

Neoorthodoxy and kindred movements now challenged the public school as "Godless." President Henry P. Van Dusen of the Union Theological Seminary popularized the idea of a religious "common core" in education. "What it demands," he wrote in *God in Education*, "is a fundamental reorientation of *every* subject in the curriculum and its presentation in every course." Liberals replied that the "common core" approach violated the "spirit of free inquiry and the disposition to follow truth wherever it may lead." They also reminded Van Dusen and his followers that the "common core" was not fully shared by Catholics and other large groups. A favorable intellectual climate for the common core enthusiasts existed in the current efforts of the universities to drop the free elective system in favor of required subjects with "a unifying purpose and idea."

In an effort to combat "religious illiteracy," many communities prescribed Bible reading, interdenominational prayers, and other religious exercises in their schools. In 1948 the Supreme Court ruled in the *McCormack* case (Illinois) that religious instruction in the schools violated the separation principle. As a result, the religionists turned to a system of "released time," which permitted religious instruction off the school premises.

Church groups in New York secured the passage of a Sunday closing law as a health measure. This was protested by representatives of the large Jewish population, Seventh-Day Adventists, and secular groups. New York State also banned Rossellini's motion picture production, *The Miracle*, as sacrilegious, but the federal Supreme Court nullified the ruling on the ground that this movie censorship violated

the right of free speech. This decision reversed a 1915 decision to the contrary. The Court argued that New York's vague definition of "sacrilegious" created a situation wherein "the censor is set adrift upon a boundless sea amid a myriad of conflicting currents of religious views, with no charts but those provided by the most vocal and powerful orthodoxies."

Sectarian differences led to a series of legislative quarrels over the spending of public funds for parochial schools. In 1949 the administration seemed on the point of securing a law for federal aid to education which would leave it up to the states to decide upon the expenditure of school funds. However, the House subcommittee on Federal Aid to Education reported favorably on a rival proposal, the Barden bill, which explicitly forbade the use of federal funds for any benefits to parochial schools; this would have excluded bus transportation and other "auxiliary" benefits to religious schools. Many Protestants and secular liberals argued that the granting of funds to parochial schools violated the separation principle. Catholics could not agree that the use of tax money for parochial school buses violated the Constitution. There the matter rested.

The Revolt Against Social Consciousness

"The new fiction avoids the taint of journalism by being aggressively nonsocial and nonpolitical," wrote the socially-conscious critic, Malcolm Cowley in 1953. To him the new novelists suffered from timidity, fear of political heresy, and remoteness from social concerns. He seemed to think that this attitude could be partly explained by the fact that the writers of the new fiction were usually English instructors who clung to their economic security, limited as it was. Their goal seemed to be a "pure fiction" devoid of social content.

Bookstore windows displayed numerous military and political memoirs and hard-boiled war novels filled with naturalistic dialogue and repetitious obscenities. Some were written by undeniable craftsmen like Norman Mailer, author of the best seller *The Naked and the Dead* (1948), and James Jones, who wrote *From Here to Eternity* (1951). The great masters of the thirties returned, this time without Marxian overtones, preferring allegorical themes dealing with man's nature rather than sociological plots reflecting the dominant pres-

sures of economic and social facts. Ernest Hemingway's *The Old Man and the Sea* was enthusiastically received by the critics as a great parable in the form of a fisherman's tale displaying man's fortitude in the midst of adversity. John Steinbeck's *East of Eden* (1952) brought similar applause for its symbolic analysis of evil in the person of his chief female character.

Artists, like the novelists, forsook the social consciousness of the 1930's for the path of personal introspection. Elizabeth McCausland, the art critic, observed in 1951, "The overwhelming vogue of the abstract and the nonobjective clearly proves the retreat of much art-thought and art-work from reality." However, few could deny the advance in skill and imagination in the realm of nonobjective art. West coast devotees of "sanity in art" opened war upon the abstractionists as being basically Communist and persuaded local officials to remove some of the offending paintings and sculptured work from exhibits. Even Congress heard some of the attacks upon the alleged radicalism of the abstractionists. The political-minded critics seemed to have forgotten that the Kremlin preferred representational art of the storytelling variety seen on billboards rather than the nonsocial fantasies of the abstractionist school. The socially conscious regional school of the thirties became more cosmopolitan and aesthetic in their emphasis.

American art was a major beneficiary of the chaos in Europe as far as museum and private collections were concerned. German masterpieces found stored in the Merkers salt mine were brought over for an American exhibit before the Russians could get them; eventually they were sent to Western Germany after earning \$300,000 for German relief. Italy, proud in its poverty, refused to see American wealth carry off too many of its great masterpieces. On one occasion her government stopped a major sale of an unfinished Michelangelo despite a fabulous offer from Americans. Other countries were too needy to interfere with the sale of their art objects here.

Chapter 24

THE EISENHOWER YEARS: REVIVAL OF BUSINESS LEADERSHIP IN POLITICS

Moderate Conservatism in Washington

Twenty years of the New Deal and the Fair Deal had ended, but only a handful of right-wing Republicans expected to undo the structure of the welfare state regardless of Senator Joseph McCarthy who lashed out at radicalism and "twenty years of treason." Right-wing statesmen in western Europe were also then committed to strong welfare programs. Too many Republicans in a nearly evenly divided Congress depended for survival upon the unique popularity of President Eisenhower to retreat beyond his "moderate conservatism." This meant that the Republican party would be liberalized and would show increased initiative in social welfare programs, aid to weak sectors of the economy, and federal assistance for urban renewal projects. After 1954 and for the remainder of Eisenhower's term in office, Democrats controlled both houses and only the presidential vetoes and the Republican coalition with conservative southern Democrats kept erstwhile New Dealers at bay. For some months it seemed that "Mr. Republican," Senator Robert A. Taft of Ohio, might become the Prime Minister of the new government in the interest of strict budget-balancing, labor curbs, and isolationism, but he died in July, 1953, leaving Senate leadership (after a brief interim of leadership by the recalcitrant William Knowland of California) to men much closer to Eisenhower's conciliatory views.

Like other generals in politics, Eisenhower was quite late in developing definite party ties and his early speeches reflected the cautious political ideas of William Howard Taft and Calvin Coolidge in regard to presidential powers and the scope of federal activities. He seemed determined to avoid "the executive encroachment" upon Congress attributed by the Republicans to Franklin Roosevelt and Truman. Even his overwhelming newspaper, magazine, and television support, the consistent praises of Henry Luce's *Time* and *Life*, such as the New Deal had never enjoyed, did not alter his unadventurous conception of presidential power or his tendency to delegate high prerogatives to assistants at critical times. But those who said that he spent too much time at golf and fishing forgot that the growing burdens of the presidency and his uncertain health, particularly during his illnesses of 1955 and 1956, required this recreation. For all his intellectual shortcomings, Eisenhower had an integrity and kindness that made his campaign slogan "I Like Ike" convincing both here and abroad.

A strong civil rights program was presaged during his administration by such Supreme Court appointments as Chief Justice Warren whose decision on desegregation became a progressive landmark of the law. In foreign affairs, Eisenhower, the former commander of NATO, held no brief with isolationism or militarism, and he appointed the experienced internationalist John Foster Dulles as his secretary of state. However, Eisenhower's strict economies in defense budgets dismayed his former companions-in-arms as well as Democrats and even raised doubts as to his military judgment. He avoided combative speeches while critics squirmed to hear the moralistic observations of a man whose father had been a Mennonite of Pennsylvania Dutch stock and whose mother had also been a Pietist.

Like Grant, he admired the successful businessman, subscribed to the businessman's "less government" philosophy, and surrounded himself with top corporate executives. They were not usually opportunistic dollar-a-year men who sought to enrich their firms, but men of probity as well as talent who stood to lose by staying on in Washington. Three cabinet members were associated with the giant General Motors Corporation, one of them its board chairman, Charles E. Wilson, who became Secretary of Defense; two others, Postmaster General Arthur E. Summerfield and Secretary of the In-

terior Douglas McKay were General Motors dealers as well as conservative Republican party leaders. Wilson was considered an enlightened executive in his dealings with the United Auto Workers, but his poor sense of public relations and ill-timed witticisms antagonized the press. Democratic Senators pointed to the fact that his firm was a leading recipient of defense contracts and balked at confirming his appointment until he sold his considerable stock in General Motors—a step that proved very costly to him. Those who insisted on emergency rearmament efforts to deter the USSR disliked Wilson's maxims of strict economy and doubted his claim that more efficiency would bring far more weapons for less money. Scientists deplored his bias against basic research (which he defined as a quest for an answer to why the grass is green) in favor of applied research.

From Cleveland's industrial complex of the M. A. Hanna Corporation came its equally conservative executive head, George M. Humphrey, as Secretary of the Treasury. This industrialist and banker was compared with Andrew Mellon of the 1920's (whose picture was now moved into his office) because of his idea of generous tax incentives for business, particularly during the recession of 1953-1954. While the Democrats demanded tax cuts among lower incomes, he argued that only major cuts in government spending and increased revenue could head off inflation and disaster. Alarmed by Eisenhower's budget proposal of \$71.8 billion in January, 1957, he started an avalanche of protests against federal spending by warning that if taxes did not go down, "I will predict that you will have a depression that will curl your hair." Like Wilson he said that more and better defenses could be had at far less cost. Eventually the administration resorted to his policy of "tight money" to halt the decline of the dollar that some attributed to New Deal spending and Roosevelt monetary policies as well as to current inflationary factors.

During the early years of his term, the President tried to broaden the road of free enterprise by promptly decontrolling wages and cost of living items necessitated by the Korean War; and he approved the transfer to private hands of many side-line activities operated by federal agencies. The Reconstruction Finance Corporation, though created under Hoover, had long been under fire as a New Deal agency; now it was liquidated and its remaining loan activities turned over to other agencies.

While it was too late to reverse the process of centralization that had been accelerated by the New Deal, the Republican Congress in 1953 tried to find some solution by studying the federal-state situation through a Commission on Intergovernmental Relations, the first of its kind in American history. Unfortunately, the chairman appointed by the administration, Clarence E. Manion, Law School Dean of Notre Dame, aroused a public controversy by taking a very literalist view of returning the newer federal powers to the states and by urging more *laissez-faire* on welfare matters. This proved too much for the New Republicans as well as the old New Dealers and Manion resigned after a few months.

Subsequently, the Commission on Intergovernmental Relations embarked on studies and recommendations that clarified the federal system as it operated in mid-century America. The members accepted the principle that government must exercise a positive role in promoting the general welfare without underwriting unlimited services or subsidies to all classes or individuals. To preserve the vitality of the states, Congress must patiently encourage them to develop the capacity to handle the growing social burdens. In 1957, a congressional committee on federal-state relations recommended these rules:

Leave to private initiative all the functions that citizens can perform privately; use the level of government closest to the community for all public functions it can handle; utilize cooperative intergovernmental arrangements where appropriate to attain economical performance and popular approval; reserve National action for residual participation where State and local governments are not fully adequate and for the continuing responsibilities that only the National Government can undertake.

One idea, the need for the utmost coöperation between federal, state, and local governments became the theme of Eisenhower's developing policy of partnership as a substitute for federal centralization. But so far did the administration depart from its decentralization philosophy of 1953 that by 1960 the annual federal payments to state and local governments for such expanded programs as highway building and social security practically doubled the high annual average for Truman's second term. Washington counted for more than ever in the daily life of the citizen. Little wonder that right-wing politicians complained that there were two New Deal parties.

The Campaign Against Federal Centralization in Public Power

No aspect of New Deal "creeping socialism" disturbed conservatives more than expanding public power activities through extensive transmission lines. Utility lobbies had long attacked public power as bolshevism and Herbert Hoover was still alive to warn academic and business audiences that the TVA was an inequitable use of the taxpayer's money to subsidize a socialist enterprise. By this time, the TVA was no mere regional project but a vast integrated system that generated and sold electrical power even to giant national defense agencies such as the two large plants of the Atomic Energy Commission at Oak Ridge, Tennessee, and Paducah, Kentucky. TVA rates were the lowest in the country outside the Pacific Northwest, where federal power installations accounted for 60 percent of the total electrical supply. When in 1953 the TVA announced an increase of six billion kilowatt-hours and greatly enlarged its generating capacity, conservatives assailed this as more creeping socialism—and Eisenhower was among those who used this phrase.

The TVA began to meet the demands for cheap power by building large steam-driven generators to supplement and partly replace hydroelectric sources. The challenge came in 1953 when the TVA asked for federal funds to build a new \$100 million steam plant to serve the Memphis area. Eisenhower was not content with denouncing this as a misuse of the taxpayer's money to lure industries away from other states to cheap power locations; he asked the Atomic Energy Commission to contract for a new generative plant near Memphis for the power they needed and to deal with Edgar H. Dixon, president of the Middle South Utilities, and Eugene A. Yates, chairman of the board of the Southern Company. Democrats took up their cudgels for the TVA and attacked the Dixon-Yates contracts as "give-aways" because they were granted without competitive bidding.

Republicans argued that the TVA was the undeserving beneficiary of tax exemptions and other taxpayer benefits that private utilities did not enjoy; hence no true yardstick existed to measure the cost of cheap power. Months of controversy finally ended when the Memphis city officials announced that they had decided to build a generating system of their own. Thereupon the President canceled the Dixon-

Yates contracts. His defeat almost became a rout when Democratic investigators discovered that a vice-president of the First Boston Corporation who had been an administration technical consultant in negotiating the contracts represented a firm that was also a financial agent for the Dixon-Yates group—an embarrassing case of conflict of interest.

But the President's maneuver had checked the TVA for the time being and Secretary of the Interior McKay had no intention to encourage new federal power projects elsewhere in the nation. In 1955, Eisenhower successfully urged Congress to initiate a billion dollar federal water storage project along the Upper Colorado River, for this seemed a proper use of federal power. On the other hand, he blocked any plan to establish a large federal hydroelectric dam at Hells Canyon between Idaho and Oregon; this appeared to him as an intrusion into a field best left to private enterprise.

His power policy, while not always clear, apparently limited federal construction to enterprises where electricity was strictly a by-product of irrigation and flood control. However, in the case of the great river valley developments such as the Missouri, the Columbia, and the Colorado, where the states and private interests seemed unable or unwilling to act, the federal government continued construction of the main dams and related works, while Secretary McKay was expected to check any incipient TVA among the federal hydroelectric projects. The administration stressed the ideal of a partnership between federal, state, and private agencies to head off any autonomous federal power program.

While Eisenhower witnessed the triumph of the long-deferred St. Lawrence Seaway that had been urged by presidents of both parties, this Canadian-American project did not become the occasion for a new federal power business; nor did it become a burden upon the taxpayer because it depended upon toll collections. The extensive hydroelectric construction, which was expected to cost \$600 million out of an estimated \$1.2 billion of total cost for both nations, was turned over to the Power Authority of the State of New York and the Hydro-Electric Power Commission of Ontario. Both regional power groups expected to share equally in the energy output of a hydroelectric development that was planned to be entirely self-liquidating. The private utility firms did not share directly in this plan, for Eisen-

hower had blocked a bill which would have leased American power sites to private companies.

Canada's threat to build the Seaway alone as well as vital defense considerations overcame congressional resistance. Eastern railways and the Atlantic ports were unhappy about the expected competition from large ocean freight carriers as well as lake steamers along the deepened waterway channels from Chicago to the Atlantic. But statesmen in both countries felt that the Seaway was urgently needed to bring the iron ore from the newly opened mines of eastern Quebec to the steel plants of the Great Lakes region. Furthermore, the hemisphere would be strengthened when the Seaway permitted large warships to navigate.

The bill was signed on May 13, 1951, and work began at once on the task of integrating the St. Lawrence estuary with the Great Lakes ports in the heart of the continent. New channels and locks circumvented the rapids and other obstructions to large cargo vessels. Congress voted \$140 million and Canada above \$200 million—most of the expensive locks were on Canadian territory—for construction costs apart from the power projects left to the regional agencies. The American law established a St. Lawrence Seaway Development Corporation subject to the supervision of the President and this body was expected to confer regularly with Canada's Seaway Authority concerning tolls and other matters of mutual interest. Toll revenues would carry most of the financial burden of the Seaway. Concurrently some twenty major lake ports were to build channel and harbor improvements and cargo handling facilities, all of these to be financed by the municipalities or by private groups.

The program of moderate conservatives to check the federal centralization of the New-Deal-Fair-Deal era faced a difficult test on the issue of submerged lands, particularly the offshore oil resources claimed by coastal states such as California, Louisiana, and Texas, as well as by the federal government. Here again the main question was whether such natural resources should be developed by private or public agencies.

In 1947 and again in 1950 the Supreme Court had declared that the federal government had an exclusive right to the submerged lands and President Truman had even assigned the offshore oil resources to the Navy. However the Republican platform of 1952 called for

the restoration of the offshore lands to the states, which had long utilized their alleged right to exploit underseas land extending to the traditional 3-mile limit. Texas and Louisiana granted leases well into their assumed boundaries of 24 miles out into the Gulf of Mexico, even to the outer edge of the continental shelf. Eisenhower did not sympathize with these extreme claims backed by the oil men, but he agreed with the general idea of state ownership of those submerged lands within their historical boundaries. Therefore, he signed the Submerged Lands Act of 1953 which overthrew the Truman policy by confirming the states' title to all submerged lands within their accepted boundaries, but it also confirmed federal control over the natural resources of the sea bed of the Continental Shelf seaward of the State boundaries. This moderate conservative victory was not quite the "giveaway" charged by the Democrats since it preserved a large federal share of the estimated offshore oil resources and retained all non-proprietary rights needed for commerce and defense. The lush days of Teapot Dome gifts of the national resources to oil kings had not returned. As it turned out, the federal share was further increased in May, 1960, when the Supreme Court ruled that the seaward boundaries of Alabama, Louisiana, and Mississippi extended only 3 geographic miles. Texas and Florida won their suit to retain the resources about 10.5 miles from their coasts.

The National Highway Program of 1956 and Federal Centralization

Even the President's reluctance to expand federal activities did not prevent him from pushing through the interstate and defense highway program that involved at least \$33 billion (he had asked for \$101 billion). In fact he disregarded the demand expressed by a Governor's Conference of 1954 and simultaneously by the Commission of Intergovernmental Relations that the whole highway program be turned over to the states.

Historically, road-building had been a state and local function; such federal road grants that had been made under the Federal Highway Act of 1921 had been supplementary in nature. Previous administrations had investigated the possibilities for federal road-building and Congress had even authorized certain funds for this purpose, but in practice little construction had appeared useful be-

cause of competing state programs. Road-building attracted voters and the large auto firms, and the inevitable defense aspect won over many undecided Congressmen. None could ignore the sensational increase of private automobiles and huge trucks, but consistent foes of federal centralization noted the ability of the states and municipalities to finance and plan their highway development with a minimum of subsidy and direction from Washington. Even the defense value of a gigantic federal road system declined with the prospect of thermonuclear bombs capable of devastating entire sections of the nation.

Adopting certain recommendations made by General Lucius Clay's committee and by the governors (who changed their minds about states' rights), Eisenhower declared that a federal highway program was necessitated by the deteriorating state of the roads which accounted for most of the accidents that killed 36,000 persons a year and caused damage of over \$1 billion to vehicles. Besides, in case of atomic attack on key cities, the existing roads would not permit quick evacuation of the target areas. Therefore, he wished a vast federally aided interstate network to unite the cities. He reassured the taxpayer, "A sound federal highway program, I believe, can and should stand on its own feet, with highway users providing the total dollars necessary for improvement and new construction. Gasoline and diesel oil taxes, augmented in limited instances with tolls, would finance the task." Supporters called it "the biggest public works program ever undertaken anywhere or at anytime throughout the world."

While certain Congressmen questioned the value of this costly project and others worked to modify certain financing features, still others were attracted by the generous grants offered to the states or the obvious porkbarrel opportunities. Few championed the deteriorating but essential railroads which suffered from federal wartime taxes, state land taxes, and auto, truck, and air travel competition. In its final form, the Interstate and Defense Highway Act of 1956 allotted \$25 billion for a federal system to supplement current federal contributions for primary and secondary road systems and forest highways. This involved 41,000 miles of roads to be built over a thirteen-year period with annual federal expenditures rising to \$2.2 billion. Very significant was the fact that state coöperation was assured through an unusual incentive: If the states chose to coöperate,

the federal government would contribute nine times the amount granted by the state for this road-building. Little wonder that the states responded with great alacrity.

The young trucking industry, reflecting a current transportation revolution, and numerous industries benefited greatly from the new roads which penetrated even barren counties and underpopulated areas. On the other hand, highway taxes went up almost two-thirds. Estimates proved overoptimistic as federal contributions were expected to go to \$34 billion instead of \$25 billion. Even administration members complained of mismanagement while the *Wall Street Journal* charged the prevalence of waste, extravagance, and corruption. State plans based on natural population movements were distorted by the superimposed federal plans. By 1960, Congressmen were investigating charges made against the amorphous highway program.

Federalism and Education: Little Rock and Sputnik

Fears of federal centralization and heavy taxes made the administration cautious in taking up aid to education, an area traditionally left to local communities. The schools struggled with bulging enrollments due to increased birth rates and a continued drop in infant mortality; crowded classrooms and double shifts were unsatisfactory expedients. Teacher shortages mounted due to low salaries and the attractions of better paid work in private firms. Harassed taxpayers defeated school levies and the poorer states tried to maintain decrepit buildings and outmoded equipment.

While certain large corporations echoed a new slogan of "business in politics" and assailed federal school aid bills, the President refused to go as far as northern Democrats urged, but he was willing to consider some moderate system of federal-state matching contributions. His 1957 bill, among others, offered \$325 million a year for four years for new school buildings in needy states if the states matched these grants. In 1959, he offered federal grants to help states and localities to pay interest and principle on school construction bonds. These and other bills were defeated by the maneuver of the controversial Congressman Adam Clayton Powell, Jr., of New York, assisted by conservatives, to deny federal funds to segregated schools. Even the Republican floor leader, Charles A. Halleck of Indiana,

known to be a foe of federal aid to education, helped to defeat his own administration's compromise bill in 1960.

However loath Eisenhower might be to encourage creeping socialism by heavy federal expenditures for schools, he could be as firm as Andrew Jackson or Lincoln in upholding the federal power against state defiance, particularly in the controversy over desegregation in the public schools. For years the Supreme Court and the Truman administration had whittled down race barriers in transportation, civil service, the armed forces, public housing, and increasingly in the voting process. It remained for Chief Justice Earl Warren in the case of *Brown v. The Board of Education of Topeka* (1954) as well as in related cases to destroy the hoary "separate and equal accommodation" doctrine of *Plessy v. Ferguson* (1896) which had sanctioned the dual school system of the South among other kinds of discrimination. Thus the nation returned to the original social equality ideal of Charles Sumner and Thaddeus Stevens as expressed in the clause guaranteeing "equal protection of the laws" in the Fourteenth Amendment. If the Civil War was largely over the race issue while slavery had been the chief instrument for policing the Negro, then the South had won the war after the conservative revolution brought the Bourbons to power. The Supreme Court and Congress recognized the *de facto* situation by permitting race relations, including segregation and political power, to be handled exclusively by the southern whites. Occasionally the courts had condemned white primaries and other devices to disfranchise Negroes and upheld the rights of Negroes to attend state colleges, but the public schools of the South were only now to be ordered to end desegregation. Related to this issue was the question of whether Negroes must still attend segregated libraries, restaurants, and other public places.

The Chief Justice disposed of public school segregation in cases pending that concerned Kansas, South Carolina, Virginia, and Delaware after admitting a wealth of data regarding the human effects of discrimination. These facts were drawn from the various social studies—a unique achievement for social jurisprudence. He pointed out that since 1868 or even 1896 education in a democratic society had become a basic public responsibility, a necessity for the child's success in the modern world. From the new psychology, he drew forth this observation: "To separate them [the children] from others of

similar age and qualifications solely because of their race generates a feeling of inferiority as to their status in the community that may affect their hearts and minds in a way unlikely ever to be undone. . . . Separate educational facilities are inherently unequal."

He cited approvingly a Kansas lower court decision which argued, "A sense of inferiority affects the motivation of a child to learn." Warren himself had been a reform governor of California nominated by both parties, a champion of effective fair employment practice laws to check discrimination, and an opponent of blanket accusations of subversion against suspected radicals (although he did sign loyalty oath bills). A Republican contender for the presidential nomination for years, he had run as vice-president in 1948 when Thomas Dewey nearly captured the presidency, and then had aided Eisenhower to win the nomination in 1952. Ever an internationalist in foreign affairs, he understood the role of democratic race relations in curbing Soviet propaganda against the United States and in reassuring the emergent peoples of Africa and Asia that this government sympathized with their aspirations.

A court ruling in 1955 ordered that desegregation must proceed with "all deliberate speed" and assigned responsibility for this to the lower federal courts. Here was a great victory also for the National Association for the Advancement of Colored People, formed in 1908, which had been in the vanguard of court battles against discrimination. Its branches in the South became a target for resentful segregationists.

In previous years, northern mobs as in Cicero, Illinois, had resisted the laws against housing segregation; now the states of the old Confederacy reacted angrily by resisting public school desegregation, organizing citizens councils against enforcement, and in some cases bringing back the discredited Klan. Virginia spoke of "massive resistance" to close the public schools and set up segregated private schools. Mobs prevented Negro children from entering certain white schools and incendiaries even blew up a school building in Clinton, Tennessee. In the Deep South, where Negroes greatly outnumbered whites in many counties, politicians stood ready even in 1960, when a court desegregation order was issued for the next year, to replace the public schools with segregated private schools.

The major battle, actually an indecisive one, was fought in the

Upper South rather than in the Deep South and this made the name of Little Rock, Arkansas, better known around the globe than Chickamauga, Vicksburg, and Shiloh. Actually Arkansas had ended segregation in its state colleges and its governor, Orval E. Faubus, was then considered a moderate on the race issue. Yet he blocked the integration efforts of the Little Rock school board because he believed that violence would result—an assumption challenged by FBI observers. He ordered the National Guard to patrol the school grounds and to prevent the admission of the nine Negro children expected. Thereupon Washington secured an injunction to take the National Guard out, but local segregationists resorted to violence. The President federalized the Arkansas National Guard and sent a thousand paratroopers into Little Rock where they were stationed near the affected Central High School. Peace returned, but Faubus had aroused the Dixiecrats and awakened the ghost of Reconstruction bayonets. But even by 1960, the battle for desegregation in Arkansas was far from won and only 98 Negro children out of 104,000 were attending white classes.

During the final months of Eisenhower's administration, it was clear that desegregation would require years before passing the token stage. A study by the Southern Education Reporting Service revealed that 94 percent of southern Negroes still attended segregated classes. Even in the integrated school districts, about 182,000 out of 524,000 actually attended classes with white children. Only part of this was due to segregated neighborhoods and the reluctance of some Negro parents to transfer their children. Elsewhere many all-Negro schools were still the rule. Virginia, sponsor of massive resistance, had absorbed 103 out of over 203,000 colored children. As for the Deep South, it had taken little observable action.

Elsewhere in the realm of equal rights, progress was more tangible, aided by a strong federal policy, by the increasing Negro vote in the cities, and by the aggressive tactics of the NAACP. In 1957 Eisenhower secured the first federal civil rights law since 1875. It created a bipartisan Commission on Civil Rights appointed by the President to investigate and report on racial discrimination and to recommend action. It could subpoena witnesses and records, call upon all federal agencies for cooperation, and work with state and private groups. To strengthen Negro voting rights, penalties were provided for those

interfering with or intimidating voters. These measures were strengthened in 1960 despite a Senate filibuster. In Washington, the President's Committee on Government Contracts vigorously combated discrimination in hiring by recipients of government contracts—a very large class. Federal courts even reversed a Mississippi murder conviction of a Negro on the ground that Negroes had been systematically excluded from county jury service.

Negroes dissatisfied with "tokenism" took direct action. Thus in 1957 they successfully boycotted Montgomery (Ala.) public buses because of segregation and personal abuses. (That same year, the Supreme Court declared that mandatory segregation of the races was unconstitutional.) Negro college students engaged in "sit-in" strikes and picketing against restaurants or stores that did not serve Negroes. While Negro militancy aroused some resentment among southern whites, the South needed Negro labor to meet the growing industrialization of that section.

The story of education in those years included much more than the struggle for equal rights and more teachers and classrooms. Soviet competition, so evident in foreign affairs and international trade, also invaded American education at a time when its home critics were especially outspoken about the "softness" of classroom standards. On October 4, 1957, the Russian earth satellite, Sputnik, was launched into orbit—the first one—by a rocket of such thrust as to indicate that Soviet engineering science had actually eclipsed our own in one essential at least. Denis Brogan, the distinguished English observer of American life, wrote that the Marxists now argued that "the greatest conquests of the human mind are only possible when the limitations imposed by profit, by decadent capitalism, by the shackles that a decaying system of property relations puts upon science are broken." This blow to the complacent idea of exclusive American "know-how" produced a crisis in educational thought, even though it was pointed out that the ability of a dictatorship to shift resources to one area at the expense of others was no real test of sudden superiority.

Among those who minimized Sputnik was Secretary of Defense Charles Wilson who, with his penchant for the *faux pas*, said that it was "a neat scientific trick"; and the President's able special advisor on foreign economic matters, Clarence B. Randall, dismissed it as "a

silly bauble." The President himself televised a reassuring message regarding the nation's strength, but he soon began to make speeches for much more scientific education; his scientific agencies were placed under a new coordinator.

The federal Office of Education, a research and advisory bureau under the new cabinet department of Health, Education, and Welfare, sponsored an investigation of Soviet gains in education which produced a book, *Education in the USSR* (1957). This and other first-hand studies aroused wide comment and action. The Soviet system undoubtedly produced qualified specialists, even if they were uncritically devoted to an authoritarian regime. Soviet secondary schools required much more time than American in physics, biology, chemistry, mathematics, and foreign languages. Generous state subsidies kept able students in the colleges and technical schools. There was a burning desire to surpass the United States. While American college professors might average in 1958 about \$5100, Russian academicians often went as high as \$35,000 and enjoyed a higher social prestige. Americans were content to spend up to 4 percent of their national income for education, but the Soviets spent 17 percent. The United States Commissioner of Education concluded that the USSR had "a total commitment to education."

Shortly after Sputnik, according to the Gallup Poll, most high school principals were busy strengthening their science and mathematics offerings and requirements. For the first time since 1910 the enrollment in these subjects turned upward. The pre-Sputnik demands for "fewer fads and frills" were in danger of setting off an attack on liberal studies so basic for democracy. Once more the question was whether vocationalism could be kept within a sound social framework of broad learning. Meanwhile, educators were concerned over the fact that over one-half of college-age students with an I.Q. of 120 or better failed to go on to college.

The federal government greatly increased its sponsorship of science, mathematics, and good teaching. Its National Science Foundation (established in 1950) began a survey of our scientific resources and explored the possibilities of adequate federal aid in strengthening scientific research. By 1957, it was awarding 845 predoctoral graduate fellowships and numerous postdoctoral awards, and spending millions for research facilities; in fiscal 1959, it gave \$58 million

in research grants. Increasing federal defense contracts to the universities made possible subsidies for students and instruction. Very stimulating in its effect upon scientific knowledge and education was the initiative taken by the National Science Foundation in planning American participation in the International Geophysical Year, a program devoted to studies of weather, upper-atmosphere phenomena, cosmic rays, and other areas of research. Eventually, the attention of the world was captured by the startling satellite experiments in which American successes were unfairly dimmed for a time by the spectacular propaganda successes of the Russians in concentrating upon the Sputnik and its successors.

Challenge to Party Unity: McCarthyism and Security Risk Controversies

In the arena of civil liberties, Communist cases competed for attention with the race issue. Senator McCarthy intensified a hysterical spirit growing out of the conviction of Alger Hiss and others as Soviet spies; there were fears of a nuclear holocaust. Although the Soviets were then switching to "coexistence" and de-Stalinization to offer a softer line and American Communist party membership was in rapid decline, the new Red scare grew under the proddings of McCarthy, Jenner, Velde, and other Senators. New Dealers were forced back upon the defensive by the McCarthy attack upon "twenty years of treason."

Eisenhower, Secretary of State John Foster Dulles, and Vice-President Richard Nixon (who claimed credit for the conviction of Alger Hiss and charged Democrats with dangerous softness on Communism) tried to correct the doctrinal errors of their predecessors. McCarthy, fresh from an overwhelming victory in Wisconsin, was a real power in Senate committees and he was ready to carry his anti-Communist crusade against the administration if necessary. Even Truman's sweeping loyalty program for federal personnel seemed "soft" and was promptly replaced by an executive order of April 27, 1953, which introduced the nebulous criterion of "security risk" for investigations into all government agencies. Instead of waiting for evidences of disloyalty, federal officials could discharge anyone whose retention was for any reason "not clearly consistent with the interests of national security." This included employees guilty of criminal or

immoral acts, alcoholism, drug addiction, sex perversion, mental disorders, sympathetic association with spies or revolutionists, and membership or association in totalitarian organizations. Under this rule (although there were other reasons too), 9600 "security separations" took place from 1953 to 1955. By 1956, when McCarthyism had subsided, the Supreme Court declared that the executive order applied only to those in "sensitive positions."

The State Department, in its zeal to escape the embarrassment felt by Truman after he had minimized the Hiss case as "a Red herring," appointed the overzealous Robert McLeod as its Security Chief. McLeod and his aides came to be regarded as the administration counterpart of the McCarthy-Jenner group for he pushed his recheck of personnel to the extent of scrutinizing books and magazines read by State Department men. As the usually sober *London Economist* put it, "A McLeod, considerably bigger than a man's hand, hangs over the State Department."

In 1953 Senator McCarthy was 41 years of age and although illness laid him low a few years later, he appeared to be at the peak of his powers and influence as the vigilant and belligerent chairman of the Permanent Senate Investigating Subcommittee on Government Operations. Once a practicing lawyer and a circuit judge, then a Marine captain during the war, he attained national importance in 1946 when he defeated Robert M. La Follette, Jr., for the Senate in the very state that had always honored the isolationist but reformist La Follettes. He was reelected in 1952 with the grudging endorsement of Eisenhower. A proverbial gadfly, but careless with evidence, he failed to prove that his early victim, the scholarly Professor Owen Lattimore, was a top spy, made unproved inferences of disloyalty against the Voice of America program, tried unsuccessfully to block Senate confirmation of Eisenhower's able appointee, Charles Bohlen, as ambassador to the USSR, and even impugned the loyalty of General George Marshall, former Secretary of State. He attacked the administration's acquiescence in the policy of America's allies in trading with Red China, even if only non-strategic goods were involved, and he demanded that Congress cut off all economic aid to countries trading with Red China. He even announced in March, 1953, that he had just "negotiated" an agreement with Greek

shipowners to keep their ships from carrying goods to Soviet and satellite ports. This flagrant challenge to State Department authority was rebuffed by Dulles, but Eisenhower felt reluctant to split his party by attacking the Wisconsin Senator by name.

Undeterred, McCarthy pushed his own investigations. After his assault upon the United States Information Service libraries, which played a major role in interpreting this country abroad, the *New York Times* reported that our library in Tokyo had actually burned suspect books. By June, the President's patience had worn thin and he attacked unnamed "book-burners" in a Dartmouth College address, asking, "How will we defeat communism unless we know what it is and why it has such an appeal for men?" The State Department which had gone along with McCarthy in banning books by Communist authors or magazines "receptive to international propaganda" now altered its order to purchase books by Communists if they in effect served the cause of democracy. The President expressed deep irritation when he learned that the staff director of McCarthy's Committee had published an article, "Reds in Our Churches," charging, "The largest single group supporting the Communist apparatus in the United States today is composed of Protestant clergymen."

In 1954, McCarthy was emboldened to strike at the highest army officials for "coddling Communists" in eight weeks of televised hearings before a national audience. The Senator charged that a New York dentist, Major Irving Peress, was "a Fifth Amendment Communist" who had refused to tell the committee whether he was a Communist party member; this man had been promoted and given an honorable discharge. After Secretary of the Army Robert T. Stevens had humbly promised to correct errors in procedures, McCarthy summoned Brigadier General Ralph W. Zwicker, commandant of Camp Kilmer, New Jersey, where Peress had been stationed, and grossly insulted him as unfit to be a general (and, even in cruder terms). This humiliation of an army hero who had been decorated for bravery thirteen times and certain other incidents aroused a furor and led to a reaction against McCarthyism. A Gallup Poll revealed that two-thirds of the viewers wholly disagreed with McCarthy. A Select Committee in the Senate (a "lynch party" according to McCarthy) censured the Senator on a variety of grounds on Decem-

ber 2, 1954. They charged him with conduct tending to bring the senate into dishonor and disrepute. Thus, long before the Senator died in 1957, he had ceased to count politically.

The year of the televised Army-McCarthy hearings, Congress responded to current pressures by outlawing the Communist party through the Communist Control Act of 1954. All party members were required to register with the federal government; and all labor unions led by Communists lost their right to bargain with management in any hearings before the National Labor Relations Board. "The Congress hereby finds and declares," read the statute, "that the Communist party of the United States, although purportedly a political party, is in fact an instrumentality of a conspiracy to overthrow the Government of the United States." Those who remained in the party faced severe penalties under the Internal Security Act of 1950. This law had been sponsored not only by right-wing Republicans but also by Democratic New Dealers like Senator Hubert H. Humphrey of Minnesota.

Massachusetts and other states paralleled this law by their own antissubversive laws and at least thirteen states demanded loyalty oaths from teachers. The Communists, who had been going underground for several years, immediately brought suit to defend its members in mass sedition indictments, but their numbers fell off sharply after Red tanks smashed the Hungarian revolt of 1956 and schisms rent the party. Subsequently, the federal courts clarified security procedures and remedied serious abuses of civil liberties, leaving certain Congressmen unhappy about this "soft" tendency as well as the desegregation decision, and threatening to reform the Supreme Court.

The year 1954 also saw House investigators sharply interrogating representatives of the tax-exempt research foundations and seeking evidence that they were guilty of sponsoring projects undermining private enterprise; but this effort misfired. Much more sensational was the case of Dr. J. Robert Oppenheimer, one of the most important scientists in the creation of the atomic bomb. A special investigating board voted him a security risk, denied him access to restricted government data, and suspended him from his position as consultant to the Atomic Energy Commission. At the same time this (Gray

Personnel) Board praised him as a devoted loyal public servant! This judgment was upheld by the Atomic Energy Commission by a vote of four to one. They were concerned by the evidence that he had personally associated with Communists, had willfully disregarded normal security obligations, had refused to answer certain inquiries put by the Gray Board, and had admitted that he had been an active "fellow-traveler" until 1942, even contributing cash to the party. The dissenting scientist argued that no evidence had been shown of actual disloyalty or of improperly revealing secret information despite the fact that Oppenheimer's mail, phone calls, and personal contacts had been scrutinized for over fifteen years. The fact remained, he said, that this scientist had made an outstanding contribution to his country in the development of nuclear weapons, but that he had also made many powerful enemies. Distinguished scientists defended Oppenheimer and the government found other uses for his unique talents. Meanwhile the havoc wrought by McCarthy and such cases as the Oppenheimer affair discouraged a good number of able scientists from accepting federal posts.

Federal Centralism Advances: The Labor-Management Reporting and Disclosure Act of 1959

The Red scare coincided with legislative investigations of union racketeering; and the Eisenhower era ended with an administration-sponsored labor law in 1959 that exceeded all others in its control of the internal affairs of unions. Actually, the Taft-Hartley Act of 1947 did not live up to its reputation as a slave labor law because many unions like John L. Lewis' United Mine Workers either did not comply on principle with it or they were unaffected since certain organizations did not require the services of the National Labor Relations Board. The Taft-Hartley requirement that unions must file financial reports annually with the Secretary of Labor was often evaded and did not prevent the gross misapplication of union funds by unscrupulous officers. Many regarded that law as an unwarranted intrusion into union affairs. Union hostility to this act which stressed penalties against "unfair labor practices" to balance similar penalties of the old Wagner Act against unfair management practices led Adlai Stevenson in the campaign of 1952 to endorse outright repeal and

Eisenhower to promise liberalizing amendments. Vigorous union campaigning did elect many sympathetic Democrats except the one man at the top of their ticket.

Eisenhower startled Senator Taft and other conservative Republicans by appointing Martin P. Durkin, a Stevenson Democrat who was the head of the national plumbers' union, as his Secretary of Labor. This suggested a drastic modification in the Taft-Hartley law, but the conservatives resisted Durkin's proposed amendments and worked to prohibit industry-wide bargaining, require compulsory arbitration of labor disputes, and set up federal supervision of strike votes—all ideas that were obnoxious to the unions. Thereupon, Durkin resigned on September 10, 1953, charging betrayal, and with him ended administration hopes for a direct rapprochement with the big unions. His successor, James P. Mitchell, was not a union leader at all but a management man who had directed Macy's industrial relations. However, he turned out to be a pleasant surprise to the apprehensive, for he showed an enlightened objectivity.

Some of the old labor warhorses had passed away in 1952—Philip Murray, aggressive president of the CIO, and William Green, Gompers' undramatic and cautious successor in the AFL—and new leaders prepared to unite labor's forces to meet anticipated attacks by "business-oriented" statesmen. The CIO elected Walter P. Reuther, the imaginative president of the United Automobile Workers who had won acceptance for his "guaranteed annual wage principle" in many quarters, and the AFL chose George Meany, the statesmanlike president of the New York Federation of Labor. After repeated negotiations, the AFL and the CIO ended their schism of the 1930's in a New York convention of 1955 and united into a single AFL-CIO federation with Meany as head and Reuther as second in command.

George Meany reassured those who feared Big Labor that he did not contemplate a labor party, although he felt workers as citizens should participate in shaping government policies. He and his staff fought Communism internationally as well as nationally, helped to expel Red-dominated unions, and tried, often vainly, to expel gangsters, ex-convicts, and extortionists. To break the reputedly corrupt International Longshoremen's Union, he organized a rival organization and tried to eliminate the old ILA—but unsuccessfully. In the state elections the unions had the sympathy of Secretary Mitchell in

the battle to stop the "right-to-work laws" which outlawed the union shop. By 1955, after seventeen states had such statutes, voters began to defeat further extensions of them. So strong was union membership by 1959 that they claimed over seventeen million members and fourteen million of these belonged to the powerful AFL-CIO.

The current prosperity, high wages, and relatively full employment took the edge off militancy. In an era of vigorous demand, employers were often able to pass on additional labor costs to the consumer and to sign generous collective bargaining agreements. Besides higher wages, there were longer vacations with pay, expanding pension programs, an increasing union participation in decisions usually considered managerial, and a generally improved social status; these made social consciousness almost obsolete. Thus labor peace was relatively easy to maintain despite two painful but brief recessions in 1953-1954 and 1957-1958. In 1954 the AFL-CIO and liberal Congressmen vainly urged the President to invoke the Full Employment Act of 1946 after unemployment began to approach the four million mark, but the speedy revival of prosperity was taken by the Republicans as proof of the correctness of their stand-pat position. Labor was much more successful in securing government support for welfare laws, more public housing, and higher minimum hourly wages, although on a reduced scale from the original union demands.

Among the relatively few major national strikes was a jurisdictional dispute in 1953 among 50,000 dock workers in the Atlantic coast ports. Supported by the public's revulsion at the racketeer-infested International Longshoremen's Association, the President secured an injunction under the Taft-Hartley Act and thereafter the issues were largely settled. Much more significant was the steel strike of 1959, one of the longest work stoppages among major industries in labor history. Over a half million workers struck the chief steel producers representing more than 85 percent of the nation's steel capacity. Even the heavy inventories of steel on hand when the strike began on July 15 were insufficient to prevent costly losses to industry and to the freight business. On October 21, the administration secured an eighty-day cooling-off period under the Taft-Hartley Act while the strikers returned to work. Apparently the pressures of Vice-President Nixon, widely assumed to be the White House heir-apparent, hastened an agreement that favored most of the strikers'

demands. One of the larger issues besides wage demands in this and other current strikes was the insistence of management that they control work rules and thus retain responsibility for increased efficiency to offset added labor costs. The steelworkers' leaders rejected this as a threat to job security and won. However, the settlement did not result in the anticipated new cycle of inflation that had followed previous steel pacts.

The AFL-CIO reforms proved too little and too late to offset the startling revelations—startling even to George Meany—of union corruption disclosed by the McClellan Senate Committee (The Select Committee on Improper Activities in the Labor or Management Field) which opened televised hearings as early as January, 1955. They focused upon the Teamsters Union despite the fact that they had been investigated twice before, and revealed the gangsterism, beatings, unsolved murders, and robbing of union treasuries that went on. Robert Kennedy, forceful counsel for the McClellan Committee, observed, "The Teamsters Union is the most powerful institution in this country aside from the United States Government itself. In many major metropolitan areas the Teamsters control all transportation." Dave Beck and certain other national leaders found that the Communist device of repeatedly invoking the Fifth Amendment to avoid self-incrimination could not long conceal the extent to which they had enriched themselves from union funds and evaded their income tax obligations. Beck retired, fought his conviction in the courts, and his successors faced the disciplinary action of the AFL-CIO and court action.

The elusive new leader of the teamsters, James Hoffa, won an acquittal of charges of bribery in a jury trial that aroused grave criticism. McClellan Committee revelations regarding Hoffa and his aides brought forth testimony regarding gangsterism, shakedowns, tampering with judicial processes, intimidation of union critics, and the use of ex-convicts in key positions of leadership. While one teamster faction tried to eliminate Hoffa through court action, this indefatigable Detroit leader even brought suit against Kennedy and others for libel. But Congress was so overwhelmed by letters from constituents demanding union control legislation that a stringent bill was rushed through and signed in the closing days of the session

—the Labor Management Reporting and Disclosure Act of 1959. For the public, the revelations of the McClellan Committee may have been only the last straw, for only a few years before, the Kefauver Committee had produced for televiewers the facts of a link between gambling rackets and public life; and currently, new televised investigations showed that the tremendously admired TV quiz shows were frequently “fixed.” Antilabor Congressmen took advantage of the furor to strengthen the anti-union penalties of the Taft-Hartley Law. A milder bill offered by Senator John F. Kennedy of Massachusetts who stressed publicity of union affairs was altered by stringent amendments encouraged by the White House.

Unlike the Taft-Hartley Act, the new labor law affected almost all unions and aimed to restore democracy in the unions as well as to amend the old law of 1947. Unions were obliged to file complete financial and general reports annually with the Secretary of Labor on pain of heavy fines or imprisonment. These reports became public information. Very promising—if union members cared to use the courts—was a special bill of rights to protect secret voting, free speech, and the freedom of unions from oppressive “trusteeships” by international unions. Union officers concerned with financial matters had to be bonded and could not borrow large sums from the unions as Dave Beck and other officials had done.

Other provisions disturbed the unions. Picketing, which had sometimes been an extortion device unrelated to legitimate union aims, was restricted to a thirty-day maximum when union recognition was primarily involved. Certain secondary boycotts were forbidden such as picketing a store to advertise that the goods were made by “struck” or unfair employers. Thus the list of “unfair labor practices” in the Taft-Hartley Act was expanded.

Union spokesmen complained that Congress had almost overlooked abuses by management that had also been revealed by the McClellan Committee. Others disliked the idea of the unions becoming in effect the wards of Congress subject to far-reaching controls. An unfriendly Secretary of Labor could use his new powers to persecute the unions. Still others wondered whether racketeering would be effectively controlled and democracy restored to the passive rank-and-file. But the new unions had long ago departed from the

Gompers' philosophy of antigovernment "voluntarism" and were ready to accept a good deal of government intervention in social and economic life if it advanced the lot of the worker.

The New Agricultural Revolution and Federal Centralization

Republican leaders fought federal centralization and high taxes in the battle to resist the staple farmer's demand for federally supported high prices. At the same time they could not ignore the high political cost of defying the pivotal farm vote which had been fatal in the close election of 1918; many recalled the dangerous party splits of the 1920's over the price-raising devices of the McNary-Haugen bills. The businessman's philosophy saw only economic discrimination in government efforts to subsidize agriculture, particularly since the emergency conditions of the Great Depression had long since ended. They inherited from the Democrats the huge surpluses and high storage costs of keeping these crops; almost every other year up to 1960 at least seemed to be cursed with record-breaking harvests due to new scientific methods which made each acre much more productive than before. Farm prices fell while inflation pushed farm costs upward. Since the unique high prices of 1951, average farm prices had tobogganed by 22 percent in 1954. Farm groups argued against the proponents of laissez-faire in the Department of Agriculture and in Congress that these cheaper prices for farm products did not actually benefit the city consumer because the retail prices went up anyway for other reasons.

Secretary of Agriculture Ezra Taft Benson, a Mormon "apostle" and relative of the late Senator Taft, had been an economist and marketing specialist at the University of Idaho and later a professional farm manager. Convinced that the agricultural revolution had made the New Deal system of price supports obsolete, he urged Congressmen to remove production controls and price supports and to rely instead upon competitive forces for effective adjustment. To him price supports were mere "disaster insurance" leading to undisposable surpluses. When in 1954 he carried out a directive to cut dairy price supports from 90 percent of parity to 75 percent in order to stimulate consumption and reduce the federal burden, farm voters of Minnesota and Wisconsin defeated several strong Republican

candidates. Party members came to look upon him as a political liability.

Eisenhower and Benson appealed for at least "flexible" price supports to replace the system of rigid controls. They pointed out that the New Deal program of price supports had failed to reach the goal of "parity" and that only war had prevented disaster. Congress yielded in 1954 and added provisions to dispose of surpluses abroad through gifts and currency deals. But even this law and a drought did not prevent bumper crops. There were limits even to gifts of farm products in countries anxious to preserve their own agricultural equilibrium. In 1956 Congress restored rigid price supports but fell afoul of the President's veto. His substitute measure provided for a Soil Bank system which offered federal payments to those who restricted crops either in a short-term "acreage reserve" or a long-term "conservation reserve" which permitted farmers to contract for up to ten or fifteen years for federal payments if they replaced crop lands by pasture or forest. Experiments were also begun with the New Deal device of a food stamp plan to distribute surpluses among relief families. But the surplus problem closely associated with declining prices remained the same in 1960 when average production reached a point about one-sixth higher than the figures of a decade earlier. Only the large efficient "factory on the farm" could count on survival in the new technological age.

Moderate Conservatism and the Economy

Two recessions, the inflationary results of cold war expenditures, falling farm prices, and painful "tight money" fiscal policies did not change the fact that this was an era of rapidly increasing prosperity for most classes, stimulated by a fast growing population and new technologies. Leftists attributed this to an unstable "defense economy" but economists noted the sound growth of the normal civilian economy. It was impressive to see that the gross national product of all goods and services had been \$363.2 billion in 1953 when the Korean War ended, and inflation alone could not explain away the total of \$500 billion in the GNP for 1960. (The prosperous year of 1929 had not exceeded \$100 billion.) Professor Seymour Harris of Harvard pointed out that such a GNP put into much better and more

comforting perspective the heavy burden of the national debt and the huge administration budgets necessitated by defense needs. Although national and local taxes took 26 percent of the American GNP by 1960, Britons and Germans gave one-third of their GNP for the same purpose. The national debt which had been 124 percent of the 1946 GNP was only 56 percent of the 1960 GNP—although part of this pleasant fact was due to inflation. But even critics who saw dollar inflation eroding the GNP had to admit that the per capita *real* national output in 1959 was about three-fifths greater than in the golden year of 1929. While neither Truman nor Eisenhower could reverse the rising budget trends in expenditures which represented \$44 billion in fiscal 1951 and \$80.7 billion in fiscal 1959 (it had been only \$1 billion in 1913), this too appeared quite tolerable in the light of a \$500 billion GNP in 1960. There seemed little that the statesmen could do about the sad fact that 85 percent of federal budgets went for wars—past, present, and future—but much more money was also earmarked for welfare services.

In industry, the bugbear of automation aroused congressional investigators and the unions. But it did not reverse the high level of employment, even if it did displace large numbers of the unskilled, Negroes and young workers particularly; about 4 to 5 percent were unemployed. Farm income was down, but many large farmers at least could not complain.

After years of relative price stability, the inflation of 1956-1959 hurt salaried and fixed income groups, a situation explained by Secretary Humphrey as largely due to heavy government spending. Labor blamed the monopolistic price-setting of corporations. William M. Martin, Jr., the able chairman of the Federal Reserve Board, singled out several culprits—industry's practice of passing on their increased costs to the consumer through cost-plus contracts, Washington's high budgets, and the labor-management "escalator clause" in the wage contracts of major firms. He thought that too much of the value even of the vaunted GNP had been secured without an actual increase in the physical volume of goods and services.

The dollar was indeed shrinking in 1956-1959 in a way that the New Deal monetary theorists would have envied during the era of falling prices, mounting debts, and catastrophic unemployment. Wholesale prices had risen from 61.9 in 1929 to 104.4 in 1948, 111.6

in 1952, and 119.6 in 1959 (1947-1949 = 100). Despite Democratic protests, the administration resorted to a rigid tight money policy in cooperation with the relatively independent Federal Reserve Board which raised the bank rediscount rates in order to restrict currency and credit expansion in the battle against inflation. Margin requirements were raised for the purchase of securities. After a sharp recession in 1957-1958, followed by a new market drop, price stability was at least temporarily achieved. Small businessmen and home buyers complained of their difficulties in financing due to the tight money policy. High interest rates also hurt the taxpayer by raising the cost of government borrowing, but this situation seemed to be on the mend in 1960.

The historic trend of bigness in industry continued inexorably with mergers in the petroleum industry, supermarkets, auto manufacturing, and many other industries. A series of great railroad mergers seemed to be impending. The administration desired a freer competitive system, but had no intention of reverting to trust-busting. The critical *New York Times* praised the imaginative young head of the antitrust division, Robert A. Bicks, who vigorously pursued the largest firms, including General Motors, General Electric, and Westinghouse. He singled out conspiracies to fix prices and mergers that threatened price competition. "Absolute size is absolutely irrelevant," he declared. "What is important is the power to control price and exclude competitors."

Aiding Urban Renewal and Liberalizing Social Security

Republicans continued the New-Deal-Fair-Deal welfare program although they preached economy, cautious spending, and the transfer of more federal activities to the states. The first major law on housing since the 1939 law was the Housing Act of 1954. One of its aims was to remedy the scandal of "windfall" profits by builders. Government investigators reported that thousands of home-owners had been cheated of millions because of lax (or even corrupt) FHA officials who insured loans for improvements far in excess of construction costs and enabled builders with small investments to earn huge profits. The earlier housing act was amended to end such abuses.

Most significant in the new legislation was the concept of urban renewal aimed at halting the steady deterioration of cities. This

meant a unified approach to community reconstruction through public housing, neighborhood rehabilitation, and redevelopment planning. Federal funds were made available for blight prevention programs as well as slum clearance. The law provided for a public housing program of up to 35,000 units, the grants to be given preferentially to communities already committed to urban renewal programs on the principle of helping those who were ready to help themselves. Furthermore, builders of rental apartments and homes were encouraged through reduced down payments, much longer periods of amortization, and generous mortgage insurance up to 90 percent under FHA financing.

In the field of social security Eisenhower, aided by bipartisan support, carried out his pledges to extend old-age insurance coverage to ten million farmers, farm hands, local government employees, domestics, and others. Retired persons were permitted to earn more without losing their benefits. Women and disabled workers could receive retirement benefits at an earlier age. The Democratic Congress outdid the President's offer of a raise in the hourly wage minimum from 75 cents to 90; they established a one dollar minimum.

New Deal sentiment for compulsory health insurance was still strong, but Republicans and conservative Democrats opposed even an indirect form of "socialized medicine." Compromise legislation provided for a hospital construction program to serve the chronically ill, including projects such as nursing and convalescent homes and diagnostic centers. Substantial federal grants were made through the Public Health Service for research, medical care for certain groups, and technical assistance to state and local health organizations. Eisenhower was quite willing to use federal funds for the large-scale distribution of free antipolio vaccine to all needy children after the sensational discovery of a safe, effective vaccine for this crippling disease by Dr. Jonas E. Salk.

As the election of 1960 approached, it became apparent that the Democrats would find a major campaign issue in welfare programs for the aged—a very potent voting group, as well as a deserving one. Most discussed was the Forand Bill which would provide up to 120 days of hospital and nursing home care, including surgical services, to be financed largely by higher social security taxes for both employ-

ers and employees. This was denounced as socialistic by the administration and the conservative American Medical Association, but it won the support of the unions and practically all the Democratic presidential candidates. Republicans sought less costly alternatives in private insurance plans or voluntary and partially subsidized private health insurance free of government control. Precedents for the large-scale Forand plan existed in Bismarck's mandatory health insurance law of 1883 and the many government health programs currently in use in Britain, France, Canada, Mexico, Belgium, and Japan.

Politics and the Elections of 1956 and 1960

Eisenhower's internationalism prevented any major party struggle over basic foreign policy and made domestic issues the most practical arena of partisanship. He and Vice-President Nixon campaigned actively for the election of Republicans, and although they could not prevent the Democrats from taking over Congress in 1954 (and keeping control), they may have halted a Republican rout in certain states. In that election Democratic leaders like Adlai Stevenson, Senator Lyndon B. Johnson of Texas, and Senator Paul Douglas of Illinois attacked the Republicans for favoring the large corporations in tax policies, driving farm income down through inadequate price supports, encouraging "giveaways" to private groups in valuable submerged lands and in public power projects, and doing little about the current unemployment.

The Republican Senate leader, William F. Knowland of California, more concerned with foreign affairs, claimed credit for his party for bringing about the end of the Korean War, establishing peace in Indo-China, liquidating the Guatemala Communist regime, cutting taxes, creating "a self-reliant agriculture," strengthening civil rights, and extending social security benefits to millions while arresting socialistic tendencies. Internally, the Republicans were disturbed by the threat of McCarthyism to party unity. A Gallup poll of 1954 showed the defection of many Eisenhower voters among Catholics, Negroes, and the unions. Innumerable Middlewest staple farmers voted Democratic.

On September 24, 1955, Eisenhower suffered a heart attack which

aroused anxious speculations, initiated a sharp stock market decline, and led many to conclude prematurely that he was no longer a candidate for presidential reelection. However he rallied successfully and party leaders urged that he make the race in 1956 to save many Republicans from defeat. He agreed and soon demonstrated that even if he could not convince the electorate to give him a Republican Congress in 1954, 1956, or 1958, his own popularity was so great that he exceeded the 1952 margin of victory over Stevenson.

At Chicago the Democrats (meeting first this time) nominated Stevenson on the first ballot after he had won the important California primary victory over Estes Kefauver of Tennessee. Former President Truman sought vainly to secure the nomination for the veteran New Dealer, Governor Averell Harriman of New York. Stevenson successfully supported Kefauver for the vice-presidential nomination, but a surprising demonstration of strength by Senator John F. Kennedy of Massachusetts showed that this personable and internationalist son of Roosevelt's isolationist ambassador to England was to be taken very seriously as a future party leader. The civil rights issue threatened Democratic unity when angry Southerners tried to stop liberal efforts. To prevent the possible loss of electoral votes to a Dixiecrat candidate, the platform denounced racial discrimination in general terms but opposed any solution by force. It outlined a strong defense policy, demanded higher farm price supports at 90 percent of parity, called for the repeal of the Taft-Hartley law, and asked for more welfare benefits.

The Republicans at San Francisco offered no surprises and gave the nomination to Eisenhower by acclamation. An interesting effort by the veteran statesman, Harold Stassen, to replace Vice-President Nixon for the second post with Governor Christian Herter of Massachusetts failed completely. The Republican platform, as expected, praised the administration record and stood on its achievements such as "partnership" of federal, state, and local groups on public power, desegregation in the schools, and other matters. The current Middle East crisis over the Israeli-French-British invasion of Egypt aroused certain apprehensions, but if it affected the campaign, it must have been in Eisenhower's favor.

Election day gave the President a stunning victory with 457 electoral votes from 41 states and a popular vote of 35.3 million, well

above the 1952 victory figures of 442 electoral votes and 33.9 million popular votes. Only Roosevelt had exceeded this electoral record in 1932 and 1936. Eisenhower carried the Democratic cities of Chicago, Jersey City, and Baltimore, though he was weaker than in 1952 among the farmers west of the Mississippi and in the Pacific coast states.

Stevenson, who had in 1952 carried only five states of the Solid South, did even worse this time, for he fell from 89 to 74 electoral votes and polled 26 million votes instead of 27.3 million as before. Never since 1872 had a Democrat received so few electoral votes and these were limited to Alabama, Arkansas, Georgia, Mississippi, Missouri, North Carolina, and South Carolina. Apparently the strenuous state-by-state campaigning of Stevenson and Kefauver did not avail them, although the Democrats held on to their control over Congress and even increased their margins slightly. But Eisenhower's vetoes supported by at least "one-third plus one" lay ahead of them.

Democratic prospects greatly improved with the recession of 1958, sufficiently so to increase their control in the Senate from the 49-47 split to 61-31 and in the House from 232-195 to 283-153. In the 1958 elections, they also captured 26 out of 34 contested governorships. The reaction against conservative labor policies was also registered when voters in five states defeated right-to-work laws outlawing agreements to require employees to join a union. Democrats looked hopefully to victory in 1960 when they would no longer face Eisenhower who had been inadvertently eliminated by anti-Roosevelt Republicans in 1947 through the Twenty-second Amendment limiting presidents to two terms.

The future of Congress could also be affected by the increasing voting strength of the West which was enhanced by population movements from the East, particularly to California and the Southwest, and in 1959 by the statehood of Alaska and Hawaii. The new states brought four new senators from progressive constituencies. In addition to the strategic importance of these rapidly growing new states, their unusual mixed ethnic character would be a factor in future civil rights legislation.

The energetic Senator Kennedy of Massachusetts earned his nomination by seven primary victories, particularly over Senator Hubert Humphrey of Minnesota. At the Democratic Convention in Los

Angeles in July, 1960, he won on the first ballot and possibly headed off a Southern revolt over the strong civil liberties plank by accepting the Senate leader, Lyndon B. Johnson of Texas, as a running mate. Even Kennedy's Catholic faith and Truman's derogation of his youth—he was 43—failed to deter the Convention. The platform urged stronger federal enforcement of equality for Negroes, a large welfare program, including the semisocialized medical care idea embodied in the pending Forand Bill, and a strong, mobile policy of national defense.

No Republican cared to dispute the nomination of Richard M. Nixon of California whom Eisenhower had groomed for the presidency, although the able progressive critic, Governor Nelson Rockefeller of New York, secured Nixon's promise of more specific liberal policies before the Chicago Convention met. The ticket was greatly strengthened by giving the vice-presidential nomination to the personable Henry Cabot Lodge, outspoken UN ambassador and an "original" Eisenhower man from Massachusetts representing the liberal New Republicans. Like the Democrats, the Republicans promised a detailed welfare program, although they wished a "contributory" system of health insurance and an economic growth without "massive new federal spending and loose money policies."

During the campaign months, Kennedy and Nixon cautiously debated general campaign issues over television, while Khrushchev took advantage of the presidential race to arouse new crises. He rattled the threat of a missile war if the United States attacked Castro's Cuba, assailed the Monroe Doctrine as obsolete, and brandished his weapons in case the West intervened in the chaotic new state of the Congo. Eisenhower repulsed these threats with clear warning of counteraction and backed a Congo solution through the UN police forces. Another crisis smouldered over the Soviet shooting of a U.S. plane, an RB-47 reconnaissance type, over international waters—the Soviets alleged that their air-space had been infringed upon. The presidential candidates as well as administration spokesmen warned Khrushchev not to use the election as a tool for Communist advances because the nation remained united and had frequently weathered grave crises in election years.

Chapter 25

FROM CONTAINMENT TO MASSIVE RETALIATION

Bipartisanship and the Continuity of Foreign Policy

The global-minded Eisenhower Republicans as well as the McCarthys and Brickers attacked the Yalta "sell-out," "bungling" in Korea, secret executive diplomacy, the unchallenged enslavement of millions by Communism, and wasteful Democratic "giveaways" in foreign aid, but they could not escape the practical need for continuity of foreign policy. Security ideas of an era when two vast oceans were ample protection had dictated a bipartisan rule of "no permanent alliances" and the "Hands Off!" notion of the Monroe Doctrine. Thereafter our global interests and power seemed to require the open-door policy in the Far East, while naval necessities inspired dollar diplomacy and preventive Marine intervention in the Caribbean to protect the Panama Canal. Even the anti-imperialists Wilson and Bryan did not change these policies, although the former made a valiant effort to bring this country into an international league.

The conversion to internationalism of the Republican isolationist, Senator Arthur Vandenberg of Michigan, reflected a clearer recognition of interparty solidarity on basic foreign policies during critical times. Unlike the partisan situation in 1919 which temporarily destroyed a bipartisan coalition favorable to the League, there was no serious quarrel when America prepared to enter the United Nations and when tight military commitments of NATO scrapped the outmoded isolationist doctrine of no permanent alliances. Both parties also accepted Truman's "containment" policy to ring the expansion-

ist Soviet Union with defensive bases and alliances. Both parties accepted the Truman Doctrine to aid nations willing to resist Communism. Even his Point Four policy of giving technical aid to underdeveloped nations, which had been criticized by Republicans as extravagant, was restored unobtrusively under President Eisenhower. Both parties accepted the painful necessity of rearming the late enemies, Germany and Japan, to check Soviet force. New approaches like the strategy of massive retaliation were discovered, but the basic foreign policy pattern remained. None could escape the fact that Soviet-American rivalry had created a tenuous bipolar system in diplomacy.

The Republican attack on New Deal diplomacy expressed a distaste for summit conferences by the heads of governments as represented by Yalta and a distaste for Roosevelt's alleged personal diplomacy. The most uncompromising opponent of executive power in foreign affairs was the right-wing Republican isolationist, Senator John Bricker of Ohio, who was also a foe of federal centralization. As the governor of his state, he had once resisted appeals of the cities for emergency relief aid. In 1944 the party nominated him for vice-president to balance the relatively liberal internationalist, Thomas Dewey, at the head of the ticket. Now he seemed in sight of victory in checking New Deal internationalists, for he needed but a vote or two to win the requisite two-thirds majority in the Senate for an amendment that would tie the hands of adventurous executives in foreign affairs. Conservative supporters liked the idea of checking UN welfare experiments and some Southerners suspected that international agreements might challenge white supremacy. Before long, Eisenhower awoke to the danger that the proposed Bricker Amendment posed for national security.

This amendment would make any treaty or agreement which conflicted with the Constitution invalid. The key clause among several variations of the proposal made the conduct of foreign affairs as difficult as possible:

A treaty or other international agreement shall become effective as internal law in the United States only through legislation by the Congress unless in advising and consenting to a treaty the Senate, by a vote of two thirds of the Senators present and voting, shall provide that such treaty may become effective as internal law without legislation by the Congress.

The President now decided to disregard the party's 1952 endorsement of the Bricker Amendment and wrote that he was "unalterably opposed" to it in a letter dated January 25, 1954, to the Republican Senate majority leader, William F. Knowland of California: "It would so restrict the conduct of foreign affairs that our country could not negotiate the agreements necessary for the handling of our business with the rest of the world." Furthermore, it "would be notice to our friends as well as our enemies abroad that our country intends to withdraw from its leadership in world affairs."

By the narrowest of margins, the Bricker Amendment lost, largely due to the dissenting votes of northern Democrats. Thus simultaneously, Bricker and McCarthy reached their peak of influence and fell rapidly—Bricker was to be defeated for reelection. The major threat to executive leadership and bipartisanship had been overcome.

Although the President gave more attention to foreign affairs than to military matters, his appointment of the redoubtable John Foster Dulles as Secretary of State indicated that he intended to delegate major policies to him. Dulles was a serious, energetic son of a Presbyterian minister and a favored grandson of John W. Foster, Harrison's Secretary of State who distinguished himself in a lifetime of Asian and European diplomacy. Dulles had been active in the peace activities of the national churches and was a bipartisan expert for Wilson, Hull, and Acheson; at the same time he headed a noted New York law firm—a connection which convinced the Soviets that he acted for Wall Street warmongers. Acheson had praised Dulles for his brilliant work in planning the peace treaty with Japan, especially for making the alliance possible and for eliminating Soviet participation in the settlement. Yet the rising diplomat was not averse to making political capital of Acheson's alleged shortcomings. Entrusted with writing the Republican foreign policy plank in 1952, he blamed Truman for the Korean War and for the fact that a half billion people had been newly absorbed into Red countries. "The present (Truman) administration," he asserted, "in seven years, has squandered the unprecedented power and prestige which were ours at the close of World War II." An incredibly hard worker, he was not content with exchanging notes, but insisted upon learning facts at first hand by flying thousands of miles during his term to settle matters of the highest import on the spot. Since he symbolized the foreign

policy of a dominant power, all of the disappointments and frustrations of the cold war were often visited upon him.

Partition of Korea and Indo-China

The President, who had carried out his election promise to investigate the Korean deadlock, was aided in his efforts to reach a fair agreement by the death of Stalin on March 6, 1953, and Russian intimations that the Chinese were ready for serious peace negotiations. A cease-fire order was issued on July 27, but no treaty was signed during these Eisenhower years. Thereafter, the nation remained divided along the 38th parallel with frequent violations of armistice terms by North Koreans and Red Chinese. To prevent the revival of real war, sixteen UN participants in the Korean War issued a declaration that they would strike back even beyond Korea.

Although a fresh crisis awaited the west in Indo-China, resistance in Korea had served to reassure other free nations that Red aggressions would be vigorously challenged. To Secretary Dulles, there was another result: Korean fighting had ended on honorable terms not only because the enemy had been thrown back to his place of beginning but also because "he was faced with the possibility that the fighting might, to his own great peril, soon spread beyond the limits and methods which he had selected." In the future, he believed, our armed forces would no longer be heavily committed to Asia because a Red attack would be met by nuclear retaliation.

In Indo-China, Communist guerrillas had harassed the French Union forces for eight years; and since 1952, the United States had become so deeply involved that it was paying about three-fourths of war costs when the war ended in 1954. This involved \$2.3 billion in aid, substantial technical assistance, and the imminent possibility that Americans would be fighting there also. The trained Communist leader and his 300,000 men armed with Chinese modern weapons eroded the French-led but dispirited army of 240,000 despite superior American weapons. Native anti-Communist soldiers who constituted the bulk of the French Army were affected by the enemy propaganda that this was a struggle to enrich French colonialism. The State Department put pressure upon the reluctant French to grant autonomy and freedom at a definite date for the various Indo-Chinese states—Laos, Cambodia, and Viet-Nam.

The crisis came when the French tried to make a major stand at Dien Bien Phu against heavily reinforced Communist forces, a struggle that went on for almost two months before the French surrendered on May 7, 1954. While this battle raged, the State Department showed concern over the loss of all Southeast Asia to Communism, and Dulles urged Churchill and Eden to join this country in an immediate military coalition. However, Britain opposed any general war in Asia and put its hope in the recently announced Geneva Conference to be held on April 26. (Yet armed Anglo-French military intervention in Egypt, even without America, a few months later made more sense to Eden, concerned as he was with the strategic Suez Canal and oil properties.) The French appealed desperately for a concentrated air attack on the besiegers of Dien Bien Phu, arousing administration sympathies, but Congress and military advisers objected to any intervention that would bring in Red China and perhaps its Soviet ally as well.

Isolated, Premier M ndes-France made sweeping concessions to the Viet-Minh leaders, although the strong American support may have brought him better terms than seemed likely. Russia's Molotov, Red China's Chou En-lai, Britain's Anthony Eden, and our Under-Secretary of State Walter Bedell Smith attended the final Geneva settlement of July 21, 1954. Indo-China was divided between the two belligerents along the seventeenth parallel and cease-fire agreements were concluded. However, Eisenhower refused to permit this country to be a party to the agreement and General Smith was instructed to promise only that we would "refrain from using force or threats to disturb this settlement." Fortunately, the new non-Communist nation of Viet-Nam developed effective leadership, aided substantially by the United States, and the Reds were checked for the time. American supplies arrived to help Viet-Nam meet the emergency caused by the overwhelming flood of 800,000 refugees from the northern Communist state.

Dulles built up stronger fences against further Red aggression in Southeast Asia, especially by sponsoring SEATO—the Southeast Asia Treaty Organization. This was done at a Manila meeting in September, 1954, of the United States, France, Britain, Australia, New Zealand, the Philippines, Pakistan, and Thailand. Invitations had been issued to India, Indonesia, Burma, and Ceylon through

Britain, but these countries refused to jeopardize their neutralism. While SEATO called for collective action against Red attack, the members did not agree upon automatic response. Altogether the Southeast Asia Collective Defense Treaty was a modest triumph for the Dulles policy of building up regional defense agreements as permitted by the UN charter.

Two Chinas and Japan

No sooner was the Indo-China crisis ended and SEATO established than renewed hostilities broke out between Mao's China and Chiang's Formosa. In August, 1954, the Red China regime served notice that they would "liberate" Formosa, the last stronghold of Chiang Kai-shek's Nationalists. Red artillery shelled the offshore islands of Quemoy, Matsu, and the Tachens as preliminary to invasion—so it seemed. While the State Department had no illusions about Chiang's ability, it regarded Formosa as an essential link in a strategic chain of islands in western Pacific defenses. The President told a press conference that any attack on Chiang would have to run over the U.S. Pacific fleet. A few months later, on December 2, 1954, the State Department signed a Mutual Defense Treaty with Chiang which guaranteed the defense of Formosa, the Pescadores, and our own nearby islands in the western Pacific. Chiang was "re-leashed" (Eisenhower had "unleashed" him previously and worried our allies) by forbidding his forces to invade the mainland without prior consultation with this country.

To appease those suspicious of executive encroachment, the President asked Congress to authorize him to use troops if necessary for the defense of Formosa. A nearly unanimous Congress tendered him these powers in the most unrestricted way in a resolution of January 29, 1955, which declared that the secure possession by friendly governments of the western Pacific island chain was "essential to the vital interests of the United States." No troops were used and the Nationalists were even persuaded to withdraw from the now untenable Tachen islands. A few months later the Red bombardment ceased for the time being.

The Red Chinese puzzle was partly explained by Peiping's Defense Minister in 1959, "Ours is a policy of fight-fight, stop-stop, half-fight, half-stop. This is no trick but a normal thing" (quoted in *Depart-*

ment of State Bulletin, April 6, 1959). Such psychological devices were calculated to raise tension. Red China was no satellite of Russia, but the two nations were tightly bound together by alliance, ideology, and immediate aims. As Mao told Moscow university students in November, 1957, "In the association of Socialist states there must be a leader and that leader is Moscow." These factors, among others, led Eisenhower to continue Truman's policy of refusing to recognize Red China or to trade with her; both worked to keep that nation out of the UN because this would give prestige to "an outlaw regime."

Walter S. Robertson, Assistant Secretary of State for Far Eastern Affairs, stated that the current policy was to support a non-Communist Chinese government like Chiang's Republic of China as a foil and rallying point against expansionist Peiping and as an important part of our Pacific defenses. Our experiences with the Soviet Union after Roosevelt granted recognition were too unfavorable to promise better luck with the Chinese. Furthermore, he argued, Red China had failed to meet her international obligations when she confiscated almost \$2 billion in American and British property; blackmailed, jailed, or tortured foreign citizens; held Americans as hostages; invaded Korea, Tibet, and India; and attacked Formosa. Two-thirds of the free nations, including the United States, still refused to recognize that country. Robertson's position reflected that of Congress which had passed a unanimous resolution in 1956 opposing recognition.

West European critics (England did recognize Red China) said that the non-recognition policy and the trade embargo were neither realistic nor in the interest of the free nations. They suspected that McCarthyism and the "China Lobby" were blinding our judgment and that moralistic views predominated. Mao's obviously was the *de facto* government of China. Some argued that we could recognize the two Chinas simultaneously without great difficulty. To them Red China was too powerful and its ostracism too dangerous in a period of war clouds.

Strategic Japan had to be cultivated as a key sector of Pacific defenses. In 1953, Dulles announced that we were rearming Japan. This was followed by aid to her munitions industry and the return of several islands to that country (Okinawa and the Bonin group were not included). Gradually, American forces were withdrawn while Japan increased her own army. President Syngman Rhee of South

Korea warned against re-creating "the Frankenstein monster of Japanese militarism," while Red China wooed the Japanese by alternative offers of trade and threats of destruction. The United States and Britain aided Japan's remarkable recovery by relaxing trade restrictions; surplus American farm products were given away. A Japanese-American trade treaty was signed on April 2, 1953, to encourage investments and trade and to eliminate extraterritorial privileges held by Americans. Left-wing mobs occasionally staged anti-American protests against fall-out in the Pacific, misdeeds of our armed forces, and closer ties with this country. Socialists and Communists organized anti-American riots in 1960 after the U-2 episode when the Soviets threatened to use atomic missiles against nations with American bases. The mobs tried to block the ratification of a new alliance treaty, the arrival of Eisenhower for a friendship tour (in which they succeeded), and the overthrow of the Kishi regime. However, the parties in power understood that Japan's independence and security required a firm alliance with the United States.

Middle East Crises: Nasser and the Cold War

Even the flying carpet of the Secretary of State could not keep up with the kaleidoscopic changes in the strategic Middle East at the very doorstep of the Soviet Union. Here were combustibles of tense Arab nationalism, suspicious of western colonialism, government by mobs (especially Arab refugees) in those states where poverty and illiteracy made them useful pawns for rival factions, and adventurous politicians like Nasser dedicated to destroy Israel and to unify all Arab peoples. Only Turkey, a non-Arab nation, was a staunch member of NATO and a sturdy fighter in the Korean War, albeit under a semi-dictatorship; in 1953 it was allied with Yugoslavia as well, a gratifying development from the American strategic viewpoint. Israel too was reliable and the only real democratic outpost in the western sense, but she was harassed by Nasser's guerrillas along her borders.

Britain, America's strongest ally, was witnessing the disintegration of her historic empire in Asia and Africa. Her strategic position in the Middle East was further threatened by a civil war in Cyprus, encouraged by a fellow NATO member, Greece, and by Nasser's

numerous maneuvers around Suez and North Africa. France had lost Indo-China and fought to retain Algeria and other North African lands where Nasser's agents gave aid to the rebels; this enervating struggle forced France to withdraw several contingents from NATO. All of western Europe depended upon Middle East oil and while Americans had ample supplies for the time, they wished to conserve these future sources. American oil companies were among the largest investors in the Arab countries.

In November, 1954, Nasser's faction eliminated the relatively conciliatory leader, General Naguib, and announced a revolutionary program of social welfare and national reconstruction. To offset the nationalist cries of colonialism, the United States urged Britain to sign an Anglo-Egyptian agreement to evacuate all British forces from the Suez Canal area on condition that this base be made available in case of an attack against Egypt or any other state in the Middle East. The signers upheld the 1888 Convention guaranteeing freedom of navigation on the Suez Canal. Simultaneously the United States signed an agreement with Egypt to provide \$40 million for development projects. All this was hailed as a new era of western coöperation, with Egypt being treated as an equal.

Nasser had other plans, as suggested by his own book which predicted a future Arab empire unifying all Moslems and resting on a sweeping African base. Once a terrorist, he sent out agents to attack Arab moderates and to encourage Arab groups resisting the French in North Africa. His controlled press attacked Israel, Sudan, and Ethiopia; and Cairo found congenial employment for ex-Nazis as high advisers. He wished Dulles to secure arms for him but rejected the idea that this would require similar privileges for Israel. Late in 1955 Dulles joined Britain and the World Bank in a concerted effort to help Egypt in financing the huge Aswan High Dam project on the Nile which Nasser's followers portrayed as a panacea to revive Egypt's very basic agriculture.

The offer was justified apparently for political reasons and upon the assumption that Nasser would abide by its conditions and certainly refrain from courting the Communists—which he did not. World Bank experts reported that while the dam was feasible technically, it promised no higher standard of living in that greatly overpopulated land. There were more effective if less dramatic ways of

harnessing the waters of the Nile through a regional master plan that would treat the area as a hydrological entity and make its benefits generally available instead of excluding African Negroes in Ethiopia, Uganda, the Sudan, and other riparian states which needed such aid. The Aswan Dam, the report went on to say, offered only a breathing spell for an anticipated sharp and disastrous fall in Egyptian living standards.

Dulles and the British knew that Nasser's ability to repay the loans was greatly impaired by his high military budget, but his liabilities grew as he bargained with Red Czechoslovakia for modern arms in return for cotton. He mortgaged Egypt's cotton crop, the source of 85 percent of foreign currency. More serious were his continued purchases of Russian tanks, planes, and other major weapons.

In November, 1955, Nasser was angry with the Americans and British for sponsoring the Baghdad Pact, a defensive alliance between Turkey, Iran, Iraq, Pakistan, and Britain because it exalted Iraq in the race for Arab leadership. Russia too was concerned about this alliance along her borders and aided Nasser against Israel which was regarded as the spearhead of western penetration. The United States remained out of the Baghdad Pact in order to remain neutral in this area, but gave the pact strong moral and material support.

Meanwhile, Nasser's emissaries made the influence of Cairo felt among its neighbors as well as among the colonial powers. In Kenya they supported the savage Mau Mau movement; in the British protectorates they preached liberation; in the Sudan they incited religious war; in French North Africa they encouraged the extremist faction among the rebels; and in Israel they sent the *Jedayeen* to penetrate the borders while their government tightened blockade measures and excluded Israel vessels from the Suez Canal despite UN resolutions of protest. Jordan was urged to avoid any settlement with Israel while the British worked vainly to bring them together.

In July, 1956, Dulles and Eden abruptly announced that they were withdrawing aid for the Aswan Dam; the World Bank followed. It was too late for this sort of pressure on Nasser, for he decided that this was an ideal opportunity for his previously considered project—the nationalization of the Suez Canal. He promised eventual compensation to the stockholders and freedom of navigation to all nations, but by this time few western nations felt confidence in Nas-

ser's integrity, least of all Britain, France, Israel, and the United States.

Dulles fluctuated between the desire to chastise Nasser and the hope of resolving this crisis peaceably. He asked the British and French to be patient, but did not rule out force. Prime Minister Anthony Eden on July 27 made it clear to the President that he might resort to war: "My colleagues and I are convinced that we must be ready, in the last resort, to use force to bring Nasser to his senses." Furthermore, he told Eisenhower that he had asked his chiefs of staff to prepare a military plan and noted that the President conceded this possibility although he hoped for a peaceful solution. Dulles agreed that a way had to be found "to make Nasser disgorge what he has swallowed." Yet the two American leaders were to express surprise and shock when military action took place without the United States. Eden and the French looked upon Dulles' expedients as merely time-consuming but agreed to cooperate at first. A conference of twenty-two powers met in London that September and agreed upon an international canal-operating board but Nasser rejected the proposal. Then the conference considered Dulles' Suez Canal Users' Association to permit those using the Canal to pay dues to their own agency, but concluded that this would be a mere collection agency for Nasser. When the UN Security Council took up the problem and appeared on the verge of success to guarantee free canal transit and various other desired safeguards, the USSR and Yugoslavia torpedoed a proviso to insure international control.

Dulles, perhaps sensitive to charges of colonialism, showed an unsympathetic attitude toward Anglo-French impatience and told a press conference that he opposed "shooting our way through" the Canal. At the same time, it became apparent that the current election campaign might paralyze White House action. France was later reported to be carrying out military talks with Israel while Britain joined the French in mobilizing their forces, but so slowly as to jeopardize the success of any military action.

On October 29, 1956, Israel invaded the Sinai Peninsula, quickly defeated the Egyptian forces, carried off many prisoners, and captured a huge booty of Nasser's costly equipment so recently bought from the Soviets. The next day British and French forces issued an ultimatum that both Israel and Nasser's men leave the Canal zone

and when Nasser refused, they bombarded Egypt. The wily Egyptian then ordered the scuttling of ships in the Canal, thus depriving the enemy of his fruits.

Before the Anglo-French could complete their occupation of Suez—a matter of a few days—Washington expressed shock and denounced the expedition. The United States hastened to join Russia in putting through a cease-fire resolution, but the British and French representatives vetoed them. The Russians took advantage of American support to threaten the invaders with guided missiles and “volunteers.” Thereupon the British and French announced a cease-fire for November 7. By this time the Soviets were able to convince Arab nationalists that only their threat of a holocaust had stopped the invasion. However, Eisenhower made it clear that he would oppose Soviet action against the Anglo-French and sponsored a UN measure to send to Egypt a special UN force to discourage Russian intervention and to replace the Anglo-French force in policing the Canal Zone. Israel delayed her withdrawal until she received the President's assurances of freedom of navigation in both the Gulf of Aqaba and the Suez Canal and of help in opposing through the UN further Egyptian armed infiltration across the Gaza Strip.

The Middle East errors of Dulles did not admit of easy correction. Our chief allies were humiliated and Prime Minister Eden was driven from office. Not even the Hungarian revolt (see p. 730) dimmed the revived prestige of the Russians. Nasser quickly explained away his defeat by the Israelis and felt encouraged to resume the blockade of Israel and to block vessels carrying Israeli cargoes through the Canal despite his promises to assure free navigation. He kept the canal practically on his own terms. Once more he bought Soviet arms, trained his soldiers more thoroughly, and secured from the Soviets a low-interest loan and many technicians for the building of the Aswan High Dam project. The invasion caused an oil famine for western Europe which required energetic American aid and showed the vulnerability of the allies to the Middle East oil situation.

Eisenhower sought alternatives to the ill-fated Anglo-French policy to stabilize the Middle East and to avert Communist penetration. On January 5, 1957 he asked Congress for authority to offer military as well as financial assistance to any Middle East nation requesting it

against "overt armed aggression from any nation controlled by international Communism." He had in mind the activity of illegal Communist parties in Syria and Egypt and the possibility of a mob revolution. Congress, after months of debate, passed a resolution on March 9 as requested, the so-called Eisenhower Doctrine. Nasser, still ardently courting the Soviets although he opposed Communism, matched this action when his followers overthrew the Syrian government; he ruled that country through a group of Syrian generals and formed the United Arab Republic of the two nations. Plots and threats against King Hussein of Jordan apparently emanating from Cairo endangered that ruler but they were countered by American aid and by the appearance of the U.S. Sixth Fleet in the eastern Mediterranean.

Actual U.S. Marine intervention took place in Lebanon in July, 1958, in order to save a pro-west regime from rioters armed by Nasser's United Arab Republic. In that little state, Moslem nationalists threatened to overthrow the rule of the Christian Lebanese after a pro-Moslem editor in Beirut was killed. Foreign Minister Charles Malik denounced UAR "massive interference" and the Lebanese president asked for American assistance. On July 14, a military coup d'etat overthrew the neighboring pro-west regime of Iraq, a member of the Baghdad Pact, and Jordan tried to escape a similar situation by appealing to the west. Thereupon American Marines landed near Beirut, Lebanon, while British forces entered Jordan. Both withdrew after a few months when order was restored, but they were unable to secure a UN police force for these tinder-box areas because of the Soviet veto. It was disconcerting to note that the new government of Lebanon announced a policy of strict neutralism and flatly rejected the Eisenhower Doctrine. Meanwhile UAR attacks on Israel's borders in 1960 awakened a new crisis, but it passed away. Altogether, the Eisenhower-Dulles policy in the Middle East proved ineffective.

The Khrushchev "Thaw": De-Stalinization, Coexistence, and a Summit Conference

Following Stalin's death in March, 1953, new leaders devised more conciliatory tactics to advance the never-relinquished goal of world Communism. They were far more sophisticated than Stalin who had lived in unreal isolation like some of the Czars, scarcely seen among

the Russian people in the villages and rarely leaving the country. Some of the startling brutalities of his monolithic regime, hitherto described only by suspect bourgeois writers abroad, had begun to be investigated by non-Stalinists and these revelations were to be sensationally presented by Nikita S. Khrushchev in closed sessions in February, 1956, at the Twentieth Congress of the Communist Party. This vocal and shrewd son of a Ukrainian miner who rose to become head of the Party, a key member of the powerful Presidium of the Supreme Soviet, and Premier of the USSR, had been a Communist since boyhood, a henchman of Stalin's in keeping unwilling Ukrainian farmers in line with collectivist policies, and a lieutenant-general in command of a Ukrainian guerrilla army in World War II.

Khrushchev tried to end the Stalin-Tito schism and to permit Yugoslavia a relatively independent course to socialism. He would tolerate Titoism in Poland and perhaps in other satellites, and promote peaceful "coexistence" with capitalist nations. His idea of coexistence actually did not forsake military and strong subversive methods, but emphasized economic competition, low-interest loans to strategic underdeveloped countries, and more ingenious propaganda to overthrow capitalism. By outstripping the American economy, the Soviets could march ahead to world Communism. Meanwhile, he and his associates (he was preceded by Malenkov and Bulganin, whom he eliminated) raised the tempo of industrial expansion at the expense of consumer goods, opened vast virgin farm lands in Siberia, and rushed the production of nuclear weapons, rockets, and missiles. Like his colleagues, he professed to believe that favorable relations with the west had been arrested by Roosevelt's death, but he labored to present the incoming Republicans with a pleasant image of a peace-loving Soviet state.

Russia's explosion of a hydrogen bomb on August 12, 1953, greatly added to her strength in conventional arms and vast manpower organized in well-equipped army divisions. Her huge submarine fleet offered a threat to western naval power. An intensified arms race endangered the balanced western economy of consumer and military goods and could create the psychological conditions for World War III. Another grim aspect of this dangerous rivalry was revealed on March 1, 1954, when the United States tested a thermonuclear

bomb at Bikini in the Marshall Islands and rained destructive radioactive ash over so large a circumference that it injured twenty-three Japanese fishermen 80 miles away and affected others at a distance of 200 miles. The death of one fisherman aroused anti-American riots in Japan and caused panic among housewives who feared that the tuna they bought might now be contaminated. Although the United States promptly offered a million dollars in compensation, the fact remained that hydrogen bombs in sufficient quantity could destroy all life or cause shocking genetic effects.

These critical developments and the post-Stalinist thaw inspired new efforts to break the disarmament deadlock which had existed since the Soviets had rejected the Baruch Plan of 1946 providing for international ownership, control, and inspection of atomic weapons and facilities. In an address to the UN General Assembly on December 8, 1953, the President offered a new approach to the international control of atomic energy in his Atoms for Peace plan. He would begin with an atomic energy pool devoted to peaceful purposes under international auspices. This meant a small quantity of processed fissionable material to be used for medical research, peaceful power, and other non-military purposes, but there would be no international control over the actual atomic stockpiles of cooperating nations. "Atoms for Peace" offered a modest but useful psychological experiment which might lead to solid goals of disarmament.

At first the USSR refused to take this plan seriously and reiterated its position that the first step must be an absolute ban upon the use of nuclear weapons. Dulles denounced their "paper ban" and interpreted their motive in this way: "The real shield, the supreme deterrent, must first be abandoned, leaving the free nations exposed to the Communists' unrivaled manpower. Once that inequality has been assured, then—perhaps—the Soviet Union will negotiate further from its position of assured supremacy." A week later, the Soviets dropped their long insistence on the unsupervised abolition of nuclear weapons as a preliminary to disarmament, considered the Atoms for Peace plan favorably, but insisted that the proposed international atomic pool agency be made subject to the UN Security Council where it could interpose its veto when needed. The UN General Assembly adopted a modified form of the plan and shortly

thereafter the United States and Britain contributed the first donations of atomic materials. This was an encouraging advance in international coöperation.

Now that Russia had broken the American (and British) monopoly of atomic weapons, Congress decided in 1954 to revise the 1946 Atomic Energy Act to benefit her allies. It was now clear that tactical atomic weapons for varied combat uses rather than a few decisive and expensive bombs would be needed. The new law permitted private firms to own and operate atomic piles and other facilities for making fissionable materials other than weapons, but left title vested in the government. These companies or individuals could apply for patents or inventions in this field. The President was empowered to give information on atomic power to other nations if this did not "constitute an unreasonable risk to the common defense and security."

Coexistence took on a rosy hue on May 15, 1955, when the USSR finally agreed to sign an Austrian peace treaty restoring its sovereignty, evacuating the troops of the four occupation powers (U.S., Britain, France, and USSR), and establishing the "neutralization" of that country. Thus suddenly ended years of bickering over the joint administration and withdrawal of forces. This seemed to be the "deeds, not words" for which Eisenhower had waited before agreeing to a summit meeting of the heads of governments at Geneva in July, 1955, despite Republican misgivings regarding another Yalta.

The cordial "spirit of Geneva" enheartened observers, but no tangible gains were recorded. Eisenhower aroused great interest for his significant Open Skies plan as a practical way of averting surprise attacks. This called for a system of international inspection and gradual disarmament whereby both sides would give each other complete blueprints of their military establishments (including overseas bases) and provide facilities within their countries for unlimited aerial inspection. This was turned over to a meeting of foreign ministers.

The Russians rejected this idea as an effort to legalize nuclear weapons, offered instead a plan for limited inspection and control, and stressed the absolute prohibition of nuclear arms and reductions in conventional weapons. Molotov reiterated the Soviet position that

NATO must be scrapped and our overseas bases abandoned. To the west, the USSR concessions were little more than unsupported moral pledges with no protection against secret preparations for a knock-out blow. Possibly, as a result of this failure at Geneva, the United States began regular secret reconnaissance flights over the USSR through such ingenious methods as the Lockheed U-2 plane capable of flying undetected miles above desired targets for clear photographing. And Eisenhower had even less enthusiasm than before for summit meetings. Nevertheless the year 1955 marked the advance of good-will, assuming that this was a cumulative quality under Communist ideas of strategy. The Soviets issued hundreds of visas for Western tourists (a practice which expanded thereafter), exchanged visiting farm delegations, returned sixty-two Lend-Lease naval craft, and even paid half of the compensation asked for shooting down an American naval plane over the Bering Sea.

De-Stalinization in the USSR gave further comfort to those who hoped that the new international thaw might end the cold war. The revealing Khrushchev speech of February, 1956, before the Twentieth Congress of the Communist Party, which the State Department translated and publicized widely, told of the Stalin terror and implied that this era had ended. Russian investigators had shown that many of the anti-Trotsky or anti-fascist trials were based on arbitrary arrests, false charges, confessions forced under barbaric tortures, fabricated evidences, or even blunt orders by Stalin to find the culprit guilty. Pathologically suspicious, endowed with autocratic power, and deliberately sunning his vanity in a "cult of the individual," he ordered mass repression and executed or jailed suspects even among his former intimates.

Khrushchev further pointed out that Stalin had almost lost World War II by executing generals and high officers as traitors on dubious evidence furnished by untrustworthy elements (Khrushchev did not mention that these elements were Nazis); and his stubborn bungling of military operations needlessly cost thousands of Russian lives. Suspicious of certain ethnic groups, he deported entire populations and charged sixteen Jewish doctors with plotting the murder of Soviet leaders. The speech stimulated a new party movement to "de-Stalinize" the nation, although it conceded that Stalin had once performed unforgettable services for the cause. New textbooks and en-

cyclopedias again changed Soviet history (as was customary after the downfall of a hero) and Stalin's name disappeared from many towns, institutions, and monuments.

Soviet satellites felt encouraged in 1956 to demand greater freedom and independence of the Kremlin. Poles rioted and in Poznan, particularly, factory workers stood up for needed labor concessions and fought Communist police and spies, leaving many dead and wounded. But the Poles generally were able to extract substantial economic, political, and religious concessions from the Russians and seemed free to pursue socialism in their own way - superficially like the independent Yugoslavs. They were permitted to accept substantial economic aid from the United States. East Germany too had its own uprisings, but it was too strategic and uncertain an area to be entrusted with liberal concessions.

Hungary tried to follow the Poles, but was rebuffed by bloody repression that shocked the world. Encouraged by the Poznan revolt, the current amnesty to over 20,000 political prisoners, and the relaxation of oppressive bureaucratic restrictions, young Hungarian rebels struck for complete independence in the tradition of Louis Kossuth. In October, 1956, they fomented a general strike, won control over western Hungary, and successfully fought the hated Red spies and police in Budapest and other cities. Flushed by victory, they put Imre Nagy in office as premier. At first, the Soviets seemed to meet this reverse philosophically, announced that they were withdrawing their troops, and appeared ready to recognize the sovereignty of the satellite state. But on November 2, while the United States and Russia were denouncing the Anglo-French-Israeli invasion of Egypt, reinforced Soviet army units encircled Budapest, sealed off the frontier with Austria, and proceeded to move in thousands of tanks to wipe out the poorly armed resistance groups.

An estimated 25,000 Hungarians were killed and over 160,000 refugees escaped to Austria, the gateway to the west. Thousands of suspect youth (apparently ten years of Communist indoctrination had failed) were deported to the USSR or executed. Premier Nagy was spirited away and later executed. The UN Assembly condemned the action of the Russians in Hungary, ordered the Soviet troops to withdraw, and tried to halt the deportations. To the world, the Soviets explained this episode as an American-inspired fascist plot.

Newspapers of the west concluded that Soviet objectives had not really changed. Administration Republicans found it expedient to explain that "the liberation" of enslaved peoples was never a program to be achieved by war. Eisenhower did succeed in securing the relaxation of immigration barriers to permit at least 40,000 Hungarians to enter this country during the next few years.

Massive Retaliation and Defense

Dulles, Humphrey, and Wilson joined the President in urging the idea that strict economy and a balanced budget were essentials of national security. An armament race could bankrupt the nation. Besides, they pointed out that the new atomic weapons and jet bombers had rendered obsolete so much conventional artillery, ships, and aircraft that major cuts in manpower and older weapons were completely justified. Therefore, they picked up the Radford Plan to emphasize nuclear weapons as a *deterrent* to Communist aggression. As early as 1952, Dulles had spoken of "massive retaliation" and on January 12, 1954, he elaborated upon this idea.

Since Lenin had prescribed the current Soviet tactics of weakening free nations and of precipitating capitalist bankruptcy, Dulles urged a permanent policy to check this maneuver. The United States must cease to commit large armies in Asia or to permanently support other countries, and depend more on deterrent power rather than local defensive power. "We keep locks on our doors, but we do not have an armed guard in every home," he observed. Furthermore, local defense could never "contain the mighty land power of the Communist world." Aggressors glutted with manpower had the advantage of the initiative at an advantageous point and with their own methods of warfare. "Local defenses must be reinforced by the further deterrent of massive retaliatory power." Hence, he said, the President and his National Security Council had changed military policy. "The basic decision was to depend primarily upon a great capacity to retaliate, instantly, by means and at places of our choosing."

This idea of deterrence through massive retaliation was supplemented in his *Life* magazine interview of January 16, 1956, by the notion of a "calculated risk for peace." Like other Republicans he blamed Acheson for encouraging Red aggression in Korea by stating that this area was outside our "defense perimeter" in the Far East.

(Actually, Eisenhower as Army Chief of Staff had advised Truman on September 26, 1947, that "from a standpoint of military security the United States has little strategic interest in maintaining the present troops and bases in Korea." But this was based on Truman's drastic cuts in the ground forces, the Soviet withdrawal from Korea, and the UN insistence that we do likewise.) Dulles argued that to prevent war, we must eliminate any miscalculation by potential aggressors even if we went to "the brink of war" to take a calculated risk for peace. This unfortunate language startled our allies and the Soviets seized upon the caustic phrase "brinkmanship" as propaganda evidence that Dulles and Wall Street were criminally intent on war.

Adlai Stevenson, many Democrats, and many academicians felt that this overemphasis upon massive retaliation was dangerous and unsuited for small "brush fires" - civil wars, border incidents, limited wars, and local clashes for which air-borne atomic weapons were likely to spread the conflict. However, the Soviets may have been relieved to note that the massive retaliation doctrine implied the practical renunciation of any preventive war.

The armed forces therefore ceased to adhere strictly to the containment idea that meant applying counterpressure against Red probes along the entire periphery of Eurasia. For nuclear military purposes, the Air Force was given the largest share of military funds which rose to 40 percent in the fiscal 1960 appropriations. By this time smaller nuclear weapons were being developed experimentally which could, if successful, confine radiation effects to limited target areas. Nuclear artillery, for example, could dominate invasion routes. Conventional forces and men under arms were reduced; the Soviets announced that they were doing the same thing, only on a far larger scale of disarmament. The chiefs of staff claimed that they had the means to cope with "brush fires" as well as all-out nuclear war.

Increasing reliance for massive retaliation was put upon giant missiles capable of crossing the seas and dropping nuclear war heads upon an enemy thousands of miles away. The new ballistic missiles were weapons guided in the upward first phase of their flight by their rocket motors after which they fell in an arc-like trajectory high above the atmosphere until they plunged to their target. Some could be launched from manned aircraft. Ultimately, it was expected, guided missiles would replace other forms. Until the United States

could develop and produce in quantity the intercontinental ballistic missile, the burden of massive retaliation fell on huge long-range bombers and mixed forces of manned aircraft and lesser range missiles.

The reorganized army stressed the "pentomic" concept of five highly mobile combat groups with artillery, "Honest John" rockets, and certain atomic capabilities. Navy strategy for control of the seas rested upon the striking force of attack carriers although Congress insisted upon the addition of nuclear-powered carriers for 1961. The fleet could launch its large ballistic missile, Polaris, from submarines which could serve as highly mobile overseas bases. In August, 1958, the Navy claimed the world's largest submarine, the 5900 ton *Triton* with two nuclear reactors and elaborate equipment for radar policing. Atomic-powered global submarines capable of submerging and moving under the ice of the North Pole added to the possibilities of creating mobile overseas bases relatively immune to surprise attack.

Air defenses acquired their own family of missiles such as the pilotless interceptors of the Nike-Ajax group. Utilizing the latest types of defenses, the United States and Canada drew together in organizing a continental warning system, with an elaborate radar warning network, intended to give defenders the precious time needed to launch a counterthrust. Their defense command headquarters was established at Colorado Springs.

Defense efforts and scientific experimentation were greatly stimulated by the sensational race in artificial satellites fired by rockets of hitherto unknown power and weight. Triumphantlly the Soviets took a wide lead of tremendous propaganda value when Sputnik I was thrust into an orbit around the earth on October 4, 1957. Then followed an even larger one carrying a dog, Sputnik II, in November. A few months later, after many failures and much national frustration, the Americans began their series of successes in orbiting a number of small satellites—"oranges" Khrushchev called them—but they showed superiority in miniaturized scientific equipment. Soon both sides were vying with each other in impacting the moon or shots around the sun and it was expected that the United States would begin to close the gap in rocket power. (The theory of space flight was announced in 1920 by the American Robert H. Goddard

and shortly thereafter by a German scientist; German rocket specialists of World War II were now serving both Russia and the United States.) Lost in the excitement of the satellite race were the solid scientific achievements of the geophysical year in the exploration of Antarctica. Sputnik had shown that the nation of simple *muzhiks* had taken leadership not only in space exploration but in rocket technology so basic for developing an intercontinental ballistic missile that could by-pass our allies and strike directly at American cities. No longer need brave allies bear the brunt of an enemy attack, for the two global powers were increasingly able to rain destruction upon each other.

While strengthening their long-distance missiles, the United States sought to build missile bases in all NATO countries willing to accept them. Recurrently the Russians threatened such nations with utter destruction and stated that they would make "a veritable graveyard" of West Germany. Britain permitted the stationing of many United States long-distance bombers armed with the H-bomb. The bombers were under the sole control of the United States except that the bombs could not be used without England's consent. France exploded its first A-bomb in Africa early in 1960 and demanded a greater role in NATO.

American defenses were likened to "a sword and a shield" for the free world with the U.S. Strategic Air Command and its nuclear weapons filling the part of the sword and NATO the shield. West German soldiers constituted an increasingly large proportion of NATO ground troops. Prime Minister Macmillan announced that England depended most on a "deterrent" capability of her own while the United States strengthened her own limited but elitist troops in Europe with atomic equipment. Despite the withdrawal of French troops to combat North African uprisings, NATO was regarded as a major deterrent to discourage Soviet attack.

The administration continued to build part of its security policy upon the growing strength of the United Nations regardless of its amorphous membership and the tendency to put national interests above any "world conscience." Thus the UN undertook a useful role in policing the Egyptian border and in expanding its global welfare and humanitarian services. The frequent paralysis of the UN Security Council by the Soviet veto had for years led this country to rely upon the General Assembly, but this large group also showed a

growing "neutralist" and "anticolonial" attitude that made the limited war in Egypt appear far worse than the Russian tanks in Budapest. New members of the Afro-Asian bloc could easily acquire a practical veto by joining with the bloc of Soviet and Yugoslav delegates. More than ever the United States had to prove that its sympathies were anticolonial and antiracist, even if some of its NATO allies still retained colonies. However, the uncommitted nations were shaken by evidences of new Red imperialism in Korea, northern India, Tibet, and Hungary.

The mounting cost of the arms race worried the administration, although the actual share of the national income spent by the federal, state, and local governments continued to go down. "We cannot afford to build military strength by sacrificing economic strength," said the President emphatically. He added that unlimited defense spending would lead us to a garrison state. Business advisers close to the White House urged greater defense cuts while Democrats generally looked upon this type of economy as suicidal. The brilliant columnist, Walter Lippmann, released a wave of criticism in early 1960 by assailing the assumptions behind Republican defense policies. He argued that while this nation was enjoying unprecedented prosperity and far surpassed Russia in wealth, its President had been "presiding over the loss of American primacy among the great powers of the world." We had fallen behind in the real essence of national power, in over-all military capacity, the pioneer competition in outer space, comparative economic growth, and education. While we had reduced the proportion of our income allocated to government uses and diverted it to consumer goods and services, the Russians had utilized their technology and resources for specialized industrial, military, and national power goals. Lippmann asked Americans to realize that "national duty must take precedence over private indulgence . . . ," or we faced inevitable decline. This analysis was hotly disputed by administration supporters, and Eisenhower reminded his critics that he had spent an entire lifetime in military affairs and knew that we were well prepared.

The U-2 Plane Crisis: Summit Fiasco

Khrushchev and his circle continued to bewilder western analysts by swift changes in tactics. They attacked American overseas bases and NATO as offensive in purpose and asserted that the building

up of West Germany's power constituted a threat to the USSR. The disarmament issue now focused upon the experimental testing of nuclear devices, but negotiations seemed stalemated in 1957 as the world learned more about the destructive consequences of the accumulation of nuclear radiation. The west sought a weapon that reduced fall-out sufficiently to avoid endangering friendly nations in case of war. Dulles charged that the Soviets opposed nuclear testing to prevent this result and hence to make Sino-Soviet manpower and conventional weapons decisive in Europe. He insisted that any ban on testing should be reinforced by effective international supervision to prevent surprise attack and by other means of disarmament.

The Soviets gained a great propaganda advantage by announcing on March 31, 1958, that they were suspending tests pending an agreement. Thereupon on October 31 Britain and the United States declared a one-year suspension of testing. The decision was taken despite the strong protests of Lewis Strauss, former chairman of the Atomic Energy Commission, and other experts. Strauss testified before a Senate disarmament subcommittee that the testing ban would leave this country with obsolete weapons and would freeze defense research. However, the President's scientific adviser, Dr. James R. Killian, and others felt that the test ban was a reasonable risk in view of our technical lead in nuclear weapons. But no disarmament agreement was in sight as the second presidential term ended, although the Russians offered new proposals of total disarmament.

Khrushchev tried another expedient, apparently to force a summit conference over pending issues. On November 17, 1958, he issued an ultimatum to the United States, Great Britain, and France to evacuate Berlin within six months or deal with East Germany (whom few nations recognized) as a sovereign state, which would have control over all access routes to the city. He wished to make West Berlin a demilitarized free city after the foreign garrisons left. This was quickly interpreted to mean that isolated West Berlin located deep in Communist territory would be absorbed by the Communists; it was presumed that Khrushchev was determined to end this flourishing center of democratic influence and western espionage. So far both sides had failed to agree on a method of unifying Germany, for the west favored free elections and the Russians demanded the protection of Communist East Germany by means of a federated binational

state with all foreign troops withdrawn. Now the Soviet Foreign Minister, Andrei Gromyko, warned that western insistence upon staying in Berlin meant war. The President promptly made it clear that he and his allies would maintain their occupation rights established by a common victory over Hitler.

During this Berlin Crisis, George Kennan, Truman's former State Department expert on Russia who was the architect of the "containment" policy, reiterated a position that he had taken in the past—the "disengagement" or withdrawal of U.S., British, French, and Russian troops in central Europe, the neutralization of Germany, and the elimination of nuclear weapons in Germany. But his former superior, Dean Acheson, vigorously assailed this plan as a dangerous illusion which would favor Russian power by initiating the total withdrawal of American forces not only from Germany and Europe but from all her overseas positions while the Russians would still remain close enough for swift military action to overawe Europe. Also, he did not believe that a large nation like Germany could be neutralized. For a time Prime Minister Macmillan as well as Khrushchev seemed attracted by variations of the Kennan idea of disengagement, but the Americans remained opposed.

Possibly encouraged by the death of Dulles in May, 1959, Khrushchev pressed for a summit meeting to break the deadlock on negotiations. The new Secretary of State, former Massachusetts governor and long-time diplomat, Christian A. Herter, seemed less recalcitrant than the rugged Dulles although his policies were similar. Yielding to the inevitable, the President prepared for the meeting of the heads of states by inviting the Soviet premier for an elaborate tour of the United States and for personal conferences at Camp David. In a most unique experience, millions of Americans watched the televised progress of Khrushchev across the nation and listened to his blunt comments and answers to questions. This impressive visit, it was hoped, would establish the proper atmosphere for the summit meeting of late May, 1960. However, it was the common impression that little would be accomplished except to provide another propaganda victory for Russia and disappoint the hopes of peace that had been raised. But, the collapse of the previous conference of foreign ministers seemed to require action at the top.

Then an episode occurred which was used by Khrushchev to nul-

lily any possible gains at the forthcoming conference. On May 1, the Russians brought down an unarmed high-altitude American plane—the Lockheed U-2—flying over Sverdlovsk on an intelligence mission. The pilot, Francis Powers, was captured. At first Washington officials, acting on the information that the plane had been demolished, chose to explain that the plane was engaged in meteorological research over Turkey and had apparently developed oxygen failure. Then as it became apparent that the Russians could easily decipher its mission from the plane's equipment, the decision was taken here to admit the spying purpose and to defend it as a necessity to protect this country from surprise attacks by a nation that practiced excessive secrecy. It was admitted that this unusually high-flying plane had been photographing Soviet military objectives for years—at least it was said that these missions had been going on for four years. This was a very disconcerting discovery for Russia and when President Eisenhower accepted full responsibility for these flights, the fury of Khrushchev knew no bounds and vented itself in the succeeding weeks in a hail of personal abuse.

Khrushchev angrily displayed the wreckage of the plane and emphatically threatened retaliation against any nation providing bases for such flights. This threat was later plainly reiterated by Soviet Defense Minister Malinovsky. Immediately, the State Department replied that such retaliation against United States allies meant war with this country.

At the Paris summit meeting of the Big Four, Khrushchev blocked any favorable result by pouring out such gross insults against the United States and its President as to arouse unfavorable reaction even in some neutralist countries. His demand for an apology was not taken seriously. He withdrew an invitation to Eisenhower to visit Russia in June. Especially insulting was the Russian's demand that the conference adjourn until the election of a new American president. Eisenhower flushed but retained his dignity and declared that he had suspended future espionage flights—a commitment that did not bind his successor. At his press conference, Eisenhower asserted in defense, "No one wants another Pearl Harbor"—a reference to the nearly lethal effect of that surprise blow.

At home, both parties at first generally came to the President's side, although Adlai Stevenson attributed the current crisis basically to administration ineptitude in negotiations with Russia and in

handling the U-2 incident. He may have been influenced by the highly plausible arguments of Walter Lippmann who held that the President had precipitated the crisis by unnecessarily avowing direct responsibility for the plane's mission and hence picturing this act as part of official policy. This forced Khrushchev to strike back in self-defense whereas it would have been quite simple for him to overlook an overzealous act of subordinates. Espionage was certainly common enough in international affairs. Only the agents caught were punished.

Russia tried to secure UN condemnation of the United States in the Security Council and the General Assembly, but the debate was kept short and the decision proved unfavorable to Moscow. Henry Cabot Lodge, the United States delegate, replied to the Soviet denunciations of our espionage by giving details concerning Red spies in the United States and along the Atlantic. Newspapers had already stressed the point that the Russians were past masters at espionage. They assumed that Khrushchev had scuttled the summit meeting because of factors connected with the current changes in internal Soviet leadership and chose to magnify the spy incident as an excuse.

Khrushchev now warned that if the west did not agree to a summit meeting within six or eight months, the USSR would sign a separate peace treaty with East Germany, thus again implying that all access routes to West Berlin would be controlled by the Communists. More serious was his threat to destroy America's allies with nuclear bases. Thus in Japan, on the eve of an agreement revising the security treaty with the United States, Red leaders joined with the large opposition party, the Socialists, to organize Tokyo mobs to drive the pro-west regime of Premier Kishi out of power. The visit of President Eisenhower to Japan on June 18, 1960, became the target of the youthful crowds which demonstrated daily before his arrival. They carried placards of "Ike go home!" or "We want peace!" but many professed that this was not an anti-American demonstration. They forced Premier Kishi to request the President to postpone his visit—a serious blow to western prestige.

The Cold War in Latin America

While Eisenhower, like Truman, neglected Latin America to concentrate upon the cold war in Europe and Asia, it soon became evident that Communists had already discovered fertile soil amid the

extensive poverty, illiteracy, and political instability. At first, the administration stressed strict economy, cut the major American embassy personnel in Mexico by 25 percent, made similar cuts in Brazil, and abolished the Spanish and Portuguese-language Voice of America broadcasts to Latin America. The Russians meanwhile increased their official personnel in this vital area. Vigorous efforts were made by our immigration department to stop Mexico's swelling stream of illegal wetbacks who crossed unguarded sections of the Rio Grande border in the search for better-paying jobs. Critics questioned the value of shipping large surplus military gifts to dictator-ruled countries and disliked the cordial treatment of brutal dictators like Trujillo.

On the other hand, President Eisenhower made a genuine effort to understand Latin-American problems by sending his able brother and adviser, Dr. Milton Eisenhower, on a tour of that continent in June, 1953, and on later trips as well. Official encouragement was given to American investors to pour many millions into Latin-American industry, agriculture, and native resources. But the awakening poorer classes, observing the rising living standards elsewhere, demanded minimal social security benefits that often outstripped the capacity of their backward economies to satisfy them except by dangerous inflationary methods that produced sick welfare states. Outmoded farm tools and methods, too few technical skills, transportation barriers, and undeveloped essential resources handicapped rapid progress.

Dulles continued his predecessors' policies of non-intervention and of joint consultation against hemisphere attack. He concentrated upon the newly formed Organization of American States (initiated in 1948) which replaced the old U.S.-controlled Pan American Union. Since Russia possessed a veto in the UN Security Council, it seemed much better to utilize the OAS as an instrument of hemisphere defense against Communist subversion and attack. The most pressing problem of this type existed in Guatemala, a semi-primitive land, where Russian-trained Communist leaders made Jacob Arbenz president after his chief opponent was killed. They took over the unions, radio stations, newspapers, and other key agencies, expropriated the United Fruit Company as a prelude to a land distribution program, dissolved the Supreme Court, and beat up or

murdered their rivals. The Arbenz regime followed the Communist line on international issues, sent agents to subvert neighboring states, and ordered arms from Red Czechoslovakia.

Dulles acted vigorously to convince the Latin Americans to take joint action against Arbenz. He sponsored an OAS resolution of March, 1954, which in its final form declared that "the domination or control of the political institutions of any American State by the international Communist movement . . . would constitute a threat to the sovereignty and political independence of the American States, endangering the peace of America." This, it was hoped, would strengthen the Rio Defense Pact of 1947. Fortunately, in view of the weakness of OAS, the Arbenz regime proved much more vulnerable than expected, for a small group of expatriates under Colonel Carlos Armas were able to organize a successful revolt on Honduras soil. Arbenz fled and later went to live in an Iron Curtain nation. Generally it was assumed (but unproved) that Dulles engineered the Armas uprising.

Neutrality, though not necessarily anti-American, was endemic in Latin America as a public opinion poll of 1958 discovered after the attack on Richard Nixon. The Vice-President made a fact-finding tour of eight Latin-American nations during April and May of 1958. But at Lima, Peru, students and other dissidents stoned, booed, and even spat upon Nixon. In Caracas, Venezuela, another youthful mob threw rocks at him as he rode in his car. The President either as a gesture of protest or as a security measure ordered Marines and paratroopers to the Air Force base in that area. Congress invited experts to analyze the situation, among them the former president of democratic Costa Rica, Jose Figueres, who blamed the mob reactions partly upon United States friendliness to such dictators as Trujillo, who was charged with the kidnaping and murder of a Dominican enemy, an instructor at Columbia University. Figueres also criticized our lack of interest in the weak Latin-American economy.

Most troublesome in Latin-American relations was the Cuban revolution against the dictator Batista. The revolt began in December, 1956, with the arrival of the volatile Fidel Castro and his rebels who undertook a guerrilla civil war. Cuba was still of strategic and economic importance to the United States despite the abrogation of the Platt Amendment in 1934. Congress and American public opinion

were aroused by Castro's wholesale executions of political opponents as criminals, the growing Communist overtones of his policies, his bitter anti-American tirades, and the confiscation of foreign-owned lands without receipts which suggested expropriation without compensation. State Department spokesmen expressed sympathy for the fundamental social reforms which, it was hoped, would raise Cuba's low living standards. They hesitated to put economic pressures on Cuba which could be catastrophic for the people, but sharply protested the anti-U.S. campaign. Cuba's Catholic leaders also protested the tendency toward Communism despite Castro's denials that he was a Communist. (He merely disliked, he said, "the dirty business of anti-Communism.") American tourists forsook Havana for more equable islands of the West Indies, thus adding to the economic chaos wrought by Castro's erratic policies.

Meanwhile Castro's agents fomented uprisings in the Caribbean and sought to arouse neutralist feeling elsewhere. The Premier hurled a succession of accusations against the United States while the press, almost completely controlled, reflected his tirades. Castro chose the moment of the U-2 plane crisis to invite Khrushchev and Mao to Cuba, an invaluable sounding board for Communist propaganda to Latin America. However, none of his neighbors seemed converted by the Cuban revolutionaries.

Washington strengthened the Latin-American economy through federal grants and directed private investment to reverse the record of neglect since World War II. During 1945-1958, Latin America received only 2.6 percent of the entire outlay of \$61 billion for foreign aid while Europe took 60 percent and Asia and Africa 33 percent. But their share of foreign grants grew markedly in 1958 and thereafter. The Export-Import Bank which had been the channel for many loans to Latin America was almost dissolved by the economy-minded Secretary of the Treasury Humphrey, who was anxious to get the government out of the banking business, but he reconsidered and the bank went ahead with a very cautious loan policy. A new Inter-American Development Bank, capitalized at \$1 billion with 41 percent held by this country, was agreed to on April 8, 1959. Increased cultural ties grew; Fulbright scholarships and lectureships were for the first time extended to Latin-American institutions.

Foreign Investments and Foreign Policy

The current prosperity greatly enhanced our investments abroad and foreign trade with a total beneficial effect on diplomatic goals as well as on material well-being. In 1956 foreign investments reached nearly \$45 billion, mostly in stable private long-term securities. Private investment in 1955 was strong in this hemisphere: first came Canada with \$6.4 billion held by Americans; for second place, Venezuela tied Britain with \$1.4 billion; and Brazil was third with \$1.1 billion. In 1957 alone investments in Latin America increased by \$1.3 billion, particularly in the oil industry, factories, and mines; but more than half of this total went to developing Venezuela's oil industry. By 1958 American investors held \$8.8 billion in Latin-American property, a very substantial material stake indeed. With the elimination of the Peron dictatorship more American money flowed into Argentina.

Foreign aid from the end of World War II to June, 1956, totaled more than \$56 billion and undoubtedly rescued the economies of western Europe. The burden was not expected to bankrupt a nation with a gross national product in 1960 running to \$500 billion. Statesmen disagreed whether economic or military aid served the national security best. The economic aid faction argued that military aid was superficial and costly while economic assistance raised living standards and stabilized underdeveloped countries.

Especially disconcerting was the entrance of the USSR as a rival world banker ready to use low-interest loans and to accept farm surpluses useless to the United States for the sake of closer ties with strategically located countries. Political feasibility took priority over economic soundness in adopting large-scale projects; in addition they had surplus arms and a rapidly increasing pool of technicians to assist willing clients. Dulles said that he would not enter into direct competition in bidding against the Russians because this would be ruinous; therefore (but for other reasons too), he permitted Egypt, Syria, Afghanistan, and other countries to fall into the Russian economic orbit.

International trade offered room for optimism from both an economic and a foreign policy point of view, although the outflow of

gold during 1958-1960 disturbed those who regarded a favorable balance of trade as a law of nature. Doubts arose whether American industry was effectively competitive with western European and Japanese factories. Designing new expensive gadgets and frills attractive to American tastes often eliminated our products in the foreign markets. But the total picture was very bright. During 1953-1959, our combined exports and imports totaled \$216.7 billion, a record figure; and tourists spent \$7.1 billion abroad.

The well-being of many nations depended upon the United States. In 1958 for example, in Latin America this country purchased 78 percent of Mexico's exports, 70 percent of Colombia's, 43 percent of Brazil's, and 12 percent of Chile's; in Asia, we absorbed 56 percent of Philippine exports, 24 percent of Japan's, and 16 percent of India's. The chief trade competitors of the United States were western Europe, Japan, and Canada, but as Assistant Secretary of Commerce Henry Kearns pointed out, these were also the best customers. Red China and the USSR, according to Under-Secretary of State Dillon, were guilty of disrupting the economy of Bolivia, Malaya, and Indonesia by dumping such key products as tin or textile goods.

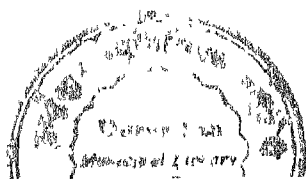
Those who thought that the return of the Republicans to the White House meant higher tariffs were surprised to note the administration's sympathies for the low tariff ideas of Clarence B. Randall, president of Inland Steel Corporation and head of the President's Commission on Foreign Economic Policy. But other Republicans showed little enthusiasm for low tariffs and many more southern Democrats began to see great virtues in protectionism as the South went through its industrial transformation.

Eisenhower and Dulles had great difficulty in securing an extension of the Trade Agreements Act (already extended ten times since 1934) so essential to the economic health of our allies and necessary to prevent the rapidly increasing Red economic penetration into uncommitted countries. The Soviet state-controlled economy and their shortage of consumer goods made it simple for them to absorb cotton and wheat surpluses and other products. (Congress favored the 1958 western European movement toward economic unity and expected that this common market of 170,000,000 customers could coordinate its strength with that of all free countries.) Finally, after a long administration campaign, Congress offered in 1958 not a mere one-

year extension of the Trade Agreements Act as in the recent past, but this time for four years. By its terms, the President could reduce the tariff rates of 1958 gradually over the years up to 20 percent; but he could raise duties as much as 50 percent over the 1934 rates—which were much higher than the 1945 base used previously. Unfortunately, pressure groups made too many exceptions in the trade program, seriously weakening its purpose. Stronger executive leadership was needed if the political objectives of the foreign trade policy were to be advanced.

It was still too soon to appraise fairly the strengths and weaknesses of American foreign policy under Eisenhower. The President had learned the importance of continuity of policy, even borrowing from suspect Truman and Roosevelt sources. The Iron Curtain was apparently pierced quite frequently by Eisenhower with the aid of such espionage devices as the Lockheed U-2 plane which made it possible for his military advisers to know whether American defenses were adequate against Soviet weapons. Critics lacking such vital knowledge could only attack the logic behind assumptions such as that increased defense spending at this time could bankrupt the United States. The existing deadlock in negotiations upon the most vital questions of human survival marked a failure somewhere, which might be evaluated as to responsibility if one could have access to the relevant Soviet as well as State Department documents.

The west was still united and strong and it remained to be seen how much Soviet threats of annihilation might divide the allies. Colonialism was in rapid retreat and racism within the United States was on the wane. In the UN, American policy continued to stress the Wilsonian ideal of the equality of small nations as well as the survival need of coöperation. Even the harsh "neo-realists" in international relations conceded the primary importance of ethical factors, much as they spoke of massive retaliation, power determinants, and other impersonal forces which made man seem so puny. Humanitarianism as well as cold self-interest dictated the concern for the welfare of millions in the underdeveloped countries and those unwilling under the Communist yoke.



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3. "THE CURSE OF BIGNESS"

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6. TOWARD THE NEW FREEDOM

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8. "A PEOPLE'S WAR"

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9. THE LOST PEACE

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10. DEMOBILIZATION AND THE RED HUNT

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11. THE TWENTIES: TRIUMPH OF MATURE CAPITALISM

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SOCIAL CHANGES: Robert S. and Helen M. Lynd, *Middletown* (Harcourt, Brace, 1929), a cultural view of a typical small city, Muncie, Ind., is a classic that illuminates urban America; see also *Recent Social Trends*, cited, and E. S. Brunner and J. H. Kolb, *Rural Social Trends* (McGraw-Hill, 1933). Major social themes are dealt with in N. F. Furniss, *The Fundamentalist Controversy, 1918-1931* (Yale, 1954); Ray Ginger, *Six*

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12. THE TWENTIES: CULT OF INDIVIDUALISM

LITERATURE AND SOCIAL THOUGHT: This chapter itself is a reading guide to the books for this era, to which should be added the relevant books in the bibliographies for Chapters 2 and 11. Among the very useful supplementary books are Malcolm Cowley (ed.), *After the Genteel Tradition* (Norton, 1936); Joseph W. Beach, *American Fiction, 1920-1940* (Macmillan, 1941); F. J. Hoffman, *The Twenties: American Writing in the Postwar Decade* (Viking, 1955); Irving Edman (ed.), *John Dewey* (Bobbs-Merrill, 1955), has excellent selections; H. L. Mencken, *Notes on Democracy* (Knopf, 1926), important only for revealing the Mencken outlook. The best anthology of Negro writings is *Negro Caravan* (Dryden, 1941) edited by Sterling A. Brown, A. P. Davis, and Ulysses Lee.

THE ARTS: See the bibliography on art for Chapter 2.

13. THE POLITICS OF BUSINESS LEADERSHIP: 1921-1929

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For key statesmen of this era, see Oscar Handlin, *Al Smith and His America* (Little, Brown, 1958); Hibben, *Bryan*, cited; James M. Cox, the forgotten Democratic presidential nominee of 1920 tells his own story in *Journey Through My Years* (Simon and Schuster, 1946). William T. Hutchinson offers the full tale of the man who almost became president, *Lowden of Illinois* (2 vols., University of Chicago, 1957). A very relevant theme is that of K. C. MacKay, *The Progressive Movement of 1924* (Co-

lumbia, 1917). Two good biographies and an autobiography of TVA's father, George W. Norris, are available: R. L. Neuberger and S. B. Kahn, *Integrity: George W. Norris* (Vanguard, 1937); Alfred Ladd, *Democracy's Norris* (Stackpole, 1939); and G. W. Norris, *Fighting Liberal* (Macmillan, 1945).

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14. RETREAT TOWARD ISOLATIONISM: 1921-1929

See the bibliography for Chapter 4. For a well-rounded history of isolationism, see Selig Adler, *The Isolationist Impulse* (Abelard-Schumann, 1957). Harding's foreign policies are presented sympathetically in Merlo Pusey, *Charles Evans Hughes*, cited. Coolidge's State Department has a friend in D. Bryn-Jones, *Frank B. Kellogg* (Putnam, 1937), as well as in Harold Nicolson, *Dwight Morrow* (Harcourt, Brace, 1935). This period is seen as "liquidating imperialism" in S. Bemis, *Latin American Policy of the United States*, cited. H. L. Stimson offers a State Department first-hand view in *American Policy in Nicaragua* (Scribner's, 1927). On the Far East, see F. R. Dulles, *China and America* (Princeton, 1946), surveying diplomacy since 1784.

New light on the peace movement and the Pact of Paris is shed in R. H. Ferrell, *Peace in Their Time: the Origins of the Kellogg-Briand Pact* (Yale, 1952). H. G. Moulton and L. Pasvolksy have written the standard account in *War Debts and World Prosperity* (Century, 1932); see also B. H. Williams, *Economic Foreign Policy of the United States* (McGraw-Hill, 1929). For Canadian-American relations, see Edgar W. McInnis, *The Unguarded Frontier* (Doubleday, 1942).

15. HOOVER AND THE GREAT DEPRESSION

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3) ; and by his cabinet members and close associates in William S. Meyers and Walter H. Newton, *The Hoover Administration* (Scribner's, 1936) ; R. L. Wilbur and A. M. Hyde, *The Hoover Policies* (Scribner's, 1937) ; W. S. Myers, *The Foreign Policies of Herbert Hoover* (Scribner's, 1940) and his edition of *The State Papers and Other Public Writings of Herbert Hoover* (2 vols., Scribner's, 1934) .

Harris G. Warren offers a judicious re-appraisal in *Herbert Hoover and the Great Depression* (Oxford, 1959) . A brilliant economist with a felicitous style, John K. Galbraith, writes an illuminating brief interpretation in *The Great Crash* (Houghton Mifflin, 1959) . Very critical from a socialist view, but quite enlightening is Broadus Mitchell, *Depression Decade, 1929-1941* (Rinehart, 1947) . A. M. Schlesinger, Jr., has a provocative and fascinating story in *The Crisis of the Old Order* (Houghton Mifflin, 1957) . F. T. Pecora presents absorbing facts from congressional hearings into the securities situation in *Wall Street Under Oath* (Simon and Schuster, 1939) . Frederick Allen offers a high order of journalistic observations in *Since Yesterday: The Nineteen-Thirties in America* (Harper, 1940) ; much more analytical are the essays of Walter Lippmann, *Interpretations, 1931-32* (Macmillan, 1932) . The controversial relief issue is expertly handled in Josephine C. Brown, *Public Relief, 1929-1939* (Holt, 1940) .

For foreign affairs, see the bibliographies for Chapters 14 and 20. See also C. G. Dawes, *Journal as Ambassador to Great Britain* (Macmillan, 1939) .

16. THE NEW DEAL REVOLUTION

17. BROADENING THE NEW DEAL

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24. THE EISENHOWER YEARS: REVIVAL OF BUSINESS LEADERSHIP IN POLITICS

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